

**Virginia Resources Authority
Budget and Investment Committee Meeting
Minutes of the Meeting
Held September 11, 2023**

The Budget and Investment Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, September 11, 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: Mr. David Branscome, Committee Chair; State Treasurer David Richardson; Ms. Maria Tedesco; and Mr. Cecil "Rhu" Harris, Board Chairman. Ms. Mary Bunting was absent. Dr. Charlette Woolridge was also present.

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; and Mr. Will Strain. Mr. David Calvert and Mr. Scott Fleming of PFM Asset Management (PFMAM), and Ms. Megan Gilliland, General Counsel, of Kaufman & Canoles, P.C., were also present.

Call to Order

Chair Branscome called the meeting to order at 1:00 p.m. The Chair welcomed Ms. Tedesco to the Committee who she said she was happy to be here. The Chair also recognized the day of 9/11 as a day of remembrance.

Approval of Agenda

Treasurer Richardson made a motion to approve the agenda as presented. Ms. Tedesco seconded. The motion carried.

Cash Equivalents and Investment Overview

Chair Branscome called on Mr. Bergeron, Director of Financial Services and Investments, for a presentation. Mr. Bergeron provided a presentation as an annual update on investments. He shared details on the composition of the VRA investments and permitted investments. For the General Fund and Program Fund dollars, Mr. Bergeron emphasized the majority of those dollars will be deployed in the future driven by project timing. He said if funds are expected to be needed within the next year, then those dollars are invested in the Virginia Local Government Investment Pool (LGIP). For dollars not expected to be used within the next year, those dollars are managed by the external investment advisory firm PFMAM. Mr.

Bergeron said PFMAM manages 7 separately managed accounts for VRA as program funds are not commingled.

Mr. Bergeron reminded the Committee that the Board updated the Investment Policy in June 2022 which received certification from the Government Investment Officers Association in August 2022. He said there were no updates identified during the annual review of the Investment Policy, but that there are some updates that staff may propose at a future meeting.

Mr. Bergeron also reviewed the portfolio performance versus the benchmark, net of fees, and said that both LGIP and PFMAM outperformed their benchmarks. Ms. Tedesco asked if Mr. Bergeron could describe the benchmark. He replied that it is the best benchmark that matches VRA's permitted investments and projected cash flow needs.

Presentation from External Investment Advisor

Mr. Bergeron said that VRA elected to continue the relationship with PFMAM after a procurement last year which was effective in a new contract on January 1, 2023. Mr. Crumlish asked Mr. Bergeron to confirm the length of that contract. Mr. Bergeron introduced the external investment advisors from PFMAM to give a presentation. Mr. Calvert began the presentation by stating that inflation has been persistent and stubborn and addressed market volatility. During the presentation, Board Chairman Harris asked by which mechanism VRA exceeded the benchmark. Mr. Calvert addressed credit quality makeup of the portfolio and then addressed changes in duration. Board Chairman Harris asked how much window is there in each category of assets to be within the Investment Policy. Mr. Bergeron responded there are limitations in each investment type and that the restrictions are similar to those at Virginia Department of Treasury. Board Chairman Harris said the benchmark and the ceiling may vary greatly and proposed that at the next meeting the Committee could see the component pieces of the benchmark compared to the portfolio. Mr. Bergeron replied that something similar to the attribution analysis VRA reviews with PFMAM quarterly could be shared with the Committee, which helps identify how PFMAM either under- or outperformed its benchmark(s).

Chair Branscome asked about the impact of AI on workforce participation. Mr. Calvert responded that there is great potential for AI, and that industries that have struggled with hiring have turned to AI to replace employees. Ms. Tedesco noted that in the banking industry AI will replace call centers over the next few years. Chair Branscome said he theorized long ago that the trucking and commercial industry would go to automation before personal cars. Dr. Woolridge asked about the news regarding an emerging currency comprised of the BRICS countries. Mr. Calvert responded with the example of the EU currency and then the Brexit event. He also said that the United States has a strong currency because of its abundance of natural resources as well

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as its robust consumer spending habits compared to other countries' consumer activity. These are some of the reasons why the U.S. dollar should remain the world currency.

Old Business

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

New Business


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

Public Comment Period

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

Adjournment

Ms. Tedesco made a motion to adjourn the meeting and Treasurer Richardson seconded. Chair Branscome adjourned the meeting at 1:49 p.m.


Shawn B. Crumlish, Executive Director
Board Secretary

APPROVED:

Mr. David Branscome, Committee Chair

**Virginia Resources Authority
Audit Committee Meeting
Minutes of the Regular Meeting
Held September 11, 2023**

The Audit Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, September 11, 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: Dr. Charlette Woolridge, Committee Chair; Mr. David Branscome; Ms. Kelly Ward for State Health Commissioner Dr. Karen Shelton; and Mr. Cecil R. Harris, Jr., Board Chairman. Ms. Mary Bunting was absent.

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

Call to Order

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

Approval of Agenda

Mr. Branscome made a motion to approve the agenda as presented. Ms. Ward seconded. The motion carried.

Presentation of FY2023 Audit

Chair Dr. Woolridge called on Mr. Doughtie, Director of Administration and Finance, to introduce the external auditor. Mr. Doughtie introduced Ms. Gaby Miller, a Signing Director with CliftonLarsonAllen LLP, who was joining the Committee by phone.

Ms. Miller gave an overview of the unique responsibilities of governance, management, and the independent auditors before meeting with the Audit Committee in closed session.

Executive Session with Auditors

Mr. Branscome then made a motion to enter into a closed meeting in accordance with Section 2.2-3711(A)(1) of the Code of Virginia, as amended, for the purpose of discussion of the performance of specific public officers, employees or appointees of VRA in connection with the annual audit. Ms. Ward 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. Ms. Gilliland read the following resolution:

Whereas, the Audit Committee of the Board of the Virginia Resources Authority has on September 11, 2023 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.

Ms. Gilliland took a roll call vote of the Committee members with all members voting affirmative. The closed session was duly certified.

FY2023 Financial Highlights

Mr. Doughtie proceeded with a presentation of a summary of the financial statements and an overview of the Annual Comprehensive Financial Report (ACFR). He noted that VRA received the GFOA's Certificate of Achievement for Fiscal Year (FY) 2022 and that VRA will submit the FY2023 ACFR for award next year.

At the conclusion of Mr. Doughtie's presentation, Ms. Ward made a motion, to which Mr. Branscome seconded, to recommend Board approval of the fiscal year 2023 ACFR as presented. The motion carried.

Review of Audit Committee Charter

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

ARMICS Update

Mr. Doughtie then stated that VRA is a component unit of the state and as such completes the annual Agency Risk Management and Internal Control Standards (ARMICS) process. He mentioned the due date is October 31 this year and that VRA is in the middle of that process currently.

Old Business

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

New Business

Chair Dr. Woolridge asked if there was any new business to come before the Committee. Mr. Branscome asked if there were any impacts to VRA from the new Commonwealth of Virginia budget. The Executive Director responded that there is \$75 million from the Virginia Transportation Infrastructure Bank's \$180 million available balance going to the Transportation Partnership Opportunity Fund. He mentioned that there are no pending applications or loans expecting funds from VTIB currently. Mr. Crumlish mentioned there is \$100 million in additional funding to the Resilient Virginia Revolving Fund, which only had a \$25 million capitalization initially. He also mentioned the influx of federal money from the Infrastructure Investment and Jobs Act that was added to the fund for the Drinking Water State Revolving Fund.

Public Comment

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

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Adjournment

Upon request from the Chair, Ms. Ward made a motion, seconded by Mr. Branscome, to adjourn the meeting. The motion carried and the meeting adjourned at 2:26 p.m.



Shawn B. Crumlish, Executive Director
Board Secretary

APPROVED:

Charlette Woolridge, Ph.D., Committee Chair

**Virginia Resources Authority
Portfolio Risk Management Committee Meeting
Minutes of the Regular Meeting
Held September 11, 2023**

The Portfolio Risk Management Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, September 11, 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. Michael Rolband, Director of the Department of Environmental Quality (DEQ); Ms. Kelly Ward on behalf of Dr. Karen Shelton, State Health Commissioner; and Mr. Cecil "Rhu" Harris, Jr., Board Chairman. Mr. Greg Campbell, Director of the Department of Aviation, was absent.

VRA staff participants included: Mr. Shawn B. Crumlish, Executive Director and Board Secretary; Mr. Joe Bergeron; Mr. Peter D'Alema; Mr. Curtis Doughtie; Mr. George Gordon; Ms. Stephanie Jones; Mr. Tony Leone; Ms. Catherine O'Brien; Mr. Kevin O'Reilly; and Mr. Will Strain. Additional attendees were Mr. Arthur Anderson of McGuireWoods LLP; Ms. Karen Doran of DEQ; Ms. Megan Gilliland, General Counsel, of Kaufman & Canoles, P.C.; and Mr. Ty Wellford and Mr. Zach Lucanie of Davenport & Company, LLC.

Call to Order

Chair Donnellan called the meeting to order at 3:00 p.m.

CWRLF and DWSRF Program Overview and Updates

Chair Donnellan called on Mr. Bergeron, Director of Financial Services and Investments, for a presentation. Mr. Bergeron provided an overview of the State Revolving Funds (SRFs) including how VRA gets paid. Director Rolband asked if there is ever a profit to which Mr. Bergeron replied no and said that VRA only receives cost reimbursement for its work for agency partners. The Executive Director added that traditionally the administrative fee exceeds what VRA receives; Director Rolband asked what happens to the excess. Mr. Crumlish said it sits in the account and has in the past been used to meet the state match when the General Assembly appropriation has been insufficient to match the federal award match component which he said has happened before. He also said the money can be used by DEQ for the program.

Mr. Bergeron continued his explanation of the SRFs, including the top 10 borrowers. Director Rolband asked why Fairfax County does not use the program. The Executive Director replied that there were conversations a few years ago with Fairfax County but that they became

less interested in using the Clean Water Revolving Loan Fund (CWRLF) when they realized the Davis-Bacon federal requirements for program participation. The Executive Director further noted that Fairfax County does have a pending application with the Clean Water program. Mr. Wellford added that Fairfax County was a borrower in the program previously.

Mr. Bergeron said that VRA updated the trust indenture in 2020 which allows both the Clean Water and Drinking Water programs to issue bonds. Both the Clean Water and Drinking Water programs cross-collateralize each other under the updated trust indenture. He added that in 2020 VRA issued \$44 million in Drinking Water program bonds for the first time to meet demand for the program.

FY2024 SRF Shelf Resolution

Mr. Bergeron presented the Fiscal Year (FY) 2024 SRF bond shelf resolution and explained the key features. Chair Donnellan asked why the max loan term parameter was set at 33 years. Mr. Bergeron said that the program allows 30-year loan amortizations and that borrowers are permitted to commence debt service payments after project completion. Mr. Rolband asked if 100-year debt has been considered by the program as has been done in other localities, although he said he was not advocating for such a duration. Mr. Bergeron asked Mr. Anderson if they were limited to 40 years, to which Mr. Anderson agreed that was true according to the Act. Mr. Bergeron said the program currently limits loans to 30-year amortization. He also noted that if the SRF programs began offering longer term loans it would have a negative impact on overall program capacity.

Ms. Ward then made a motion recommending approval by the VRA Board of the shelf resolution as presented by staff. Director Rolband seconded. The motion carried.

Mr. Crumlish then highlighted the influx of funding to the SRFs from the Infrastructure Investment and Jobs Act but noted that demand exceeds the influx of funds. He also shared that Congressionally Directed Spending, also known as earmarks, reduced the amount flowing to the Clean Water and Drinking Water programs. Mr. Crumlish said that the earmarks are all grants to specific entities and that the state is losing control over where funding goes when earmarks are awarded. He also said that the House of Representatives has proposed a 67% reduction to SRF funding. Mr. Crumlish said that VRA is a member of the Council of Infrastructure Financing Authorities (CIFA) and that CIFA joined a coalition with American Water Works Association and Environmental Council of the States which is advocating on behalf of all of the SRFs.

Mr. Crumlish also provided an overview of the Agricultural BMP program, which should continue to have strong demand given the increased cost-share available to producers in the new

state budget. He called on Ms. Jones who said cost-share was increased by \$286 million in the Special Session.

VPFP Portfolio Update

Chair Donnellan called on Mr. D'Alema, Director of Program Management, for a presentation. Mr. D'Alema shared that information was available in the presentation regarding the status of the Virginia Pooled Financing Program portfolio.

Commonwealth MO Debt Capacity Update

Mr. D'Alema referenced a PowerPoint slide showing the current Moral Obligation debt capacity.

VPFP Fall Series 2023B Update

Mr. D'Alema provided information about the applications received for the fall pool and that the pool will likely be in the \$30 to \$40 million range for up to 8 loans and that it would be financed through a competitive bond sale that is scheduled to price on October 24. Director Rolband asked about Greene County's loan being labeled taxable to which Mr. D'Alema explained that Greene County's project involves a public and private use building, with the private space about 50% of the building square footage, so the financing has to be taxable under IRS regulations. Director Rolband asked why the pool is called the fall 2023 pool even though the period is now fiscal year 2024. Mr. D'Alema responded that the series of bonds will be called 2023B in the public markets, which reference bonds based on the calendar year in which they are issued. He noted that Gloucester and Nottoway Counties had dropped out of the fall pool, one for a bank placement and the other due to a potential change in the project financing timeline.

PRM Reserve Discussion

Mr. D'Alema reminded the Committee that the Board in June had approved a new Direct Loan Program (DLP) because the PRM Reserve was at the top of its targeted funding range. The DLP was anticipated to be used for small or short-term loans; however, because of the present interest rate market volatility and the sensitivity of the three refundings in the fall pool to increases in market rates, he said the DLP could strategically be used to fund three of the new money fall pool applications if the refunding loans do not move forward in the fall transaction. If only a few new money loan requests remain in the transaction, a transaction for less than \$10 million would likely be cost prohibitive due to the overhead costs associated with a public bond issuance. With this background information, Mr. D'Alema discussed two resolutions for

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consideration by the PRMC and full VRA Board. Mr. D'Alema presented a reimbursement resolution to the Committee that would allow VRA to reimburse itself through a future debt issuance if the DLP was used to fund direct loans to local governments. Board Chairman Harris asked if there was a timeline on the reimbursement resolution to which Ms. Gilliland replied no, that there is no expiration attached to the reimbursement resolution.

Mr. D'Alema also described a second resolution which would allow the use of PRM Reserve funds to finance up to \$6.5 million of DLP loans if needed to finance new money loan requests that would have otherwise been funded through the VPFP Series 2023B pooled issuance. The idea, he said, came about by the possibility that the fall pool could be left with \$6.19 million of new money demand if the refunding loans under consideration do not move forward in the fall transaction due to increases in market rates, resulting in a transaction that would be too small for a bond sale based on costs of issuance allocated to the local loans. Mr. D'Alema said the new money borrowers that applied for funding from the VPFP 2023B issuance are relying on VRA for financing, and VRA can more efficiently fund these requests through direct loans from the PRM Reserve in the event that there is ultimately only \$6.5 million in requested proceeds. He said this resolution sunsets at the end of calendar year 2023, so it would only be applicable for a limited period of time this fall due to unique market conditions if the Board adopts the resolution. Upon a question from Director Rolband about the \$6.5 million, Mr. D'Alema clarified the resolution is supplemental in nature so that the \$6.5 million replaces the \$5 million authorization from June 2023; the DLP authorization would revert back to the \$5 million authorized amount subsequent to December 31, 2023 in the event that the fall pooled issuance moves forward as currently anticipated. Board Chairman Harris asked if the additional PRM Reserve allocated to DLP loans under the supplemental resolution would effectively be covered by excess revenues generated in FY2023. Mr. Doughtie agreed with Board Chairman Harris that VRA was projecting to add \$2 million to the PRM Reserve which exceeds the \$1.5 million increase being proposed in additional authorization for DLP loans under the supplemental resolution.

Director Rolband asked about whether Prince Edward County application was for a VPFP loan, to which the Executive Director said they were being considered through the VirginiaHELPS program in the event that that project moves forward.

Chair Donnellan asked for a motion to which Director Rolband moved that the PRMC recommend to the full Board approval of the PRM Reserve reimbursement resolution and the resolution allowing up to \$6.5 million in DLP loans from the PRM Reserve in fall 2023 if needed to accommodate local borrower needs. Ms. Ward seconded. The motion carried.

Underwriting Criteria Updates

Mr. D'Alema described the background and details of proposed updates to three underwriting criteria.

Ms. Ward made a motion, seconded by Director Rolband, to recommend approval by the VRA Board of the proposed updates to the Revenue, Tax Supported Debt Evaluation, and Restructuring Criteria as presented. The motion carried.

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

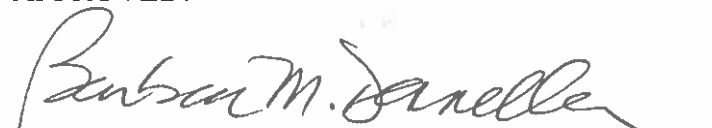
Chair Donnellan asked if there were any comments from the public. There were none.

Adjournment

Upon an affirmative vote on a motion by Director Rolband, seconded by Ms. Ward, Chair Donnellan adjourned the meeting at 4:01 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 September 12, 2023**

The Board of Directors of the Virginia Resources Authority (VRA) met on Tuesday, September 12, 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; Mr. David Branscome; Ms. Mary Bunting; Ms. Barbara Donnellan; Mr. Bill Kittrell; State Treasurer David Richardson; Mr. Michael Rolband, Director of the Department of Environmental Quality (DEQ); Ms. Kelly Ward on behalf of Dr. Karen Shelton, State Health Commissioner; Ms. Maria Tedesco and Dr. Charlette Woolridge. Mr. Greg Campbell, Director of the Department of Aviation, was absent.

VRA staff participants included: Mr. Shawn B. Crumlish, Executive Director and Board Secretary; Mr. Joe Bergeron; Mr. Peter D'Alema; Mr. Curtis Doughtie; Mr. George Gordon; Ms. Stephanie Jones; Mr. Spencer Murray; and Ms. Maisie Strawn. Additional attendees were Ms. Karen Doran of DEQ; Ms. Megan Gilliland, General Counsel, of Kaufman & Canoles, P.C.; Mr. David Gustin of McGuireWoods LLP; 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. He welcomed Ms. Tedesco to the Board and the Board members each introduced themselves to her.

Approval of Agenda

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

Recognition of Cynthia V. Bailey

The Chairman called on Ms. Jones, Director of Compliance and Policy, to introduce a recognition resolution for Ms. Cynthia Bailey. Ms. Jones highlighted key features of Ms. Bailey's term on the Board as noted in the resolution. Ms. Ward made a motion, seconded by Director Rolband, to adopt the recognition resolution of Cynthia V. Bailey as presented by staff.

Approval of Meeting Minutes

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

- Portfolio Risk Management Committee Meeting held June 12, 2023
- Personnel Committee Meeting held June 13, 2023
- Budget and Investment Committee Meeting held June 13, 2023
- Board of Directors Meeting held June 13, 2023

Ms. Donnellan made the motion to which Treasurer Richardson seconded. The motion to approve the minutes in a block carried.

Election of Vice-Chair

The Chairman then asked for nominations for the position of Vice Chair which must be elected annually per the VRA by-laws. Dr. Woolridge made a motion, seconded by Ms. Bunting, to elect Ms. Donnellan for the position of Vice Chair. The motion carried.

Report of the Executive Director

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

Mr. Crumlish introduced Mr. George Gordon to the Board and welcomed him to staff as an analyst for the State Revolving Fund programs. He brought the Board's attention to a feature article in the Virginia Municipal League (VML) magazine which highlighted Roanoke County's Explore Park as its cover story. Mr. Crumlish shared that Explore Park improvements were financed in a couple of Virginia Pooled Financing Program (VPFP) transactions, most recently in the fall 2022 transaction.

Mr. Crumlish continued his report by sharing highlights from the Special Session budget impacting VRA-managed programs. He noted that there is budget language regarding the Prince Edward County Sandy River Reservoir project which removes some of the prior legal impediments to the Commonwealth and/ or Prince Edward operating a water line in Nottoway County. Ms. Donnellan asked what issues were resolved with the budget language to which the Executive Director replied the budget language allows Department of General Services to provide condemnation to allow the project to move forward. Chairman Harris asked if the project would come back to the Board before the December meeting to which the Executive Director replied it would not be before the December meeting.

Mr. Crumlish mentioned that he and the Director of Financial Services and Investments traveled to Southwest Virginia for an event hosted by Scott County Public Service Authority for water and sewer utilities and partners. He shared that they visited several borrowers in the region including a visit to the westernmost county – Lee County.

The Chairman noted that VRA's ability to fund critical infrastructure for cities was mentioned in the VML "If I Were Mayor" contest.

Report of Budget and Investment Committee

Chairman Harris called on Committee Chair Branscome who asked Mr. Bergeron, Director of Financial Services and Investments, for a recap of the annual information update provided to the Committee. Mr. Bergeron shared that he provided the Committee with information for Fiscal Year (FY) 2023 including the performance of the externally invested funds, and VRA's Investment Advisor, PFM Asset Management, provided an update on market conditions. He said that the Investment Policy must be reviewed annually and that there are no changes being proposed this year. Mr. Bergeron said that investment holdings are in compliance with the policy and that VRA's external managers exceeded their benchmark for FY2023. He also mentioned that the quarterly investment report is included in the Executive Director's Report, which is helpful in understanding the composition of investments for individual programs managed by VRA.

Report of Audit Committee

Chairman Harris next called on Committee Chair Dr. Woolridge who said that the Committee met to review the financial report. Committee Chair Dr. Woolridge turned the meeting over to Mr. Curtis Doughtie, Director of Administration and Finance, who introduced Ms. Gaby Miller, a Signing Director with CliftonLarsonAllen LLP, who was joining the Board meeting by phone. Ms. Miller explained the roles and responsibilities of the auditor and management and the required governance communications. She says the VRA audit always runs very smoothly. Mr. Doughtie shared highlights from the financial statement summary. Ms. Bunting noted that there was a positive change in investments year over year. Deputy Secretary Markowitz inquired about the source of the other income line item. Mr. Doughtie noted that yesterday the Committee met with the auditor in closed session and Committee Chair Dr. Woolridge said there were no concerns raised.

Committee Chair Dr. Woolridge made a motion to approve the fiscal year 2023 ACFR as presented. Ms. Ward seconded. The motion carried.

Report of Portfolio Risk Management Committee (PRMC)

Chairman Harris called on Committee Chair Donnellan. Committee Chair Donnellan turned the meeting over to Mr. Bergeron who shared an overview of the Clean Water and Drinking Water State Revolving Funds (SRFs) and SRF bonds. Mr. Bergeron noted in particular that the agencies manage the project side and that VRA manages the financing side.

Mr. Bergeron then described the FY2024 SRF bond shelf resolution. Deputy Secretary Markowitz asked about the term of the bonds in the shelf resolution. Mr. Bergeron responded that the program allows the loans to have a 30-year amortization after project completion. He also noted that the shelf resolution gives parameters with flexibility, but the reality is the bonds would likely be much shorter to match the existing pledged cash flows for the program.

Mr. Branscome asked about a portion of the presentation featuring lead pipe replacement and about whether Virginia has a survey to identify the scope of the problem across the Commonwealth. Mr. Bergeron replied that local governments can apply to the Drinking Water program to establish an inventory of their lead service lines and to fund replacement costs. He asked Ms. Ward for more details about the survey to which she said that the Office of Drinking Water does a survey every four years and that the federal allocation for lead elimination increased because of Virginia's needs. She said that the Infrastructure Investment and Jobs Act (IIJA) dollars are available to Office of Drinking Water and that by 2024 all localities will be required to have an inventory. Committee Chair Donnellan asked what the last year was that lead pipes were installed in Virginia. Ms. Ward replied that it varies by county, for example she said Chesterfield County last installed lead pipes in 1980, but state-wide the last year was 1986.

Committee Chair Donnellan asked for a motion, made by Director Rolband and seconded by Ms. Tedesco, to approve the FY2024 SRF shelf resolution as presented by staff. The motion carried.

The Executive Director then briefed the Board on the influx of funding for the SRFs from the IIJA, but that the demand for the programs exceeds the funding. He shared that, along with the IIJA, Congress reinstituted earmarks. Although Virginia is neutral in its receipt of earmarks, the Executive Director explained the state is losing control of directing funds to the greatest impact and needs. He said the House is proposing decreasing appropriations to the SRFs by over 60%, which prompted organizations such as the Council of Infrastructure Financing Authorities to send a joint letter with other associations. He highlighted the Agricultural (Ag) BMP program which through its loans to farmers is supporting the state's Watershed Implementation Plan. The Executive Director said the AgBMP program is being used, in part, as interim financing for farmers until they receive grants from the Commonwealth for reimbursement of completed projects. Director Rolband asked what funds cover closing costs to which the Executive Director

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replied that the Clean Water admin fee account covers closing costs but that the AgBMP program itself, with 0% loans, does not generate admin fees.

Committee Chair Donnellan called on Mr. D'Alema, Director of Program Management, for a presentation. Mr. D'Alema references materials regarding the VPFP portfolio, Moral Obligation debt capacity, the fall issuance, and a summary of the fall transaction. He shared a list of the applicants to the fall VPFP and that Gloucester and Nottoway Counties had withdrawn their funding requests since applying. Mr. D'Alema told the Board that the bond issuance would price on October 24 and that November 15 is the closing date. He said that since all of the loans fall within the underwriting criteria and have been approved by Credit Committee there were no special exceptions to be considered by the Board. Chairman Harris asked what the rate sensitivity is for the refunding loans, and Mr. D'Alema responded the refundings would no longer provide the required minimum savings levels if market interest rates increase by 30 to 50 basis points from current levels.

Mr. D'Alema reminded the Board about the recently adopted Net Assets Policy in regard to the PRM Reserve approved usage and that the PRM Reserve is approximately funded at \$26 million currently. He explained the Direct Loan Program (DLP) reimbursement resolution which would allow direct loans to be recapitalized through the pool or other means. Then Mr. D'Alema explained a second precautionary resolution involving the DLP program. He said that the second resolution would allow up to \$6.5 million (rather than the original \$5 million approved in June) for the DLP in the event that a fall pool was not feasible through a public issuance if the refunding loans in the transaction do not move forward as a result of increases in market interest rates. Mr. D'Alema said that those funds would be able to provide capital to the new money borrowers that were relying on the fall pool for financing. He said the resolution would sunset in December and the DLP parameter would revert to the \$5 million authorized in June if the fall pool moves forward as currently anticipated. Mr. D'Alema said that if the DLP was used to fund the pool applicants then they could be refunded later, possibly as early as the spring 2024 pool depending on market rates, and that the reimbursement resolution facilitates the recapitalization of the PRM Reserve. Deputy Secretary Markowitz asked what the efficiencies were with the direct loans to which Mr. D'Alema replied there would be reduced issuance costs as bond ratings, trustee fees, and other related costs would not be required for direct loans.

Committee Chair Donnellan asked for a motion. Director Rolband made a motion, seconded by Ms. Ward, to approve the PRM Reserve reimbursement resolution and the resolution allowing up to \$6.5 million in DLP loans from the PRM Reserve in fall 2023 if needed to accommodate local borrower needs. The motion carried.

Mr. D'Alema reviewed proposed changes to the underwriting criteria for Revenue, Tax Supported Debt Evaluation, and Restructuring credits. Deputy Secretary Markowitz asked if the

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updates mean that staff will have to now undertake credit analysis on these applications and if it adds a burden to staff to which Mr. D'Alema replied that staff is already doing credit analysis so there is no change in that regard.

Committee Chair Donnellan asked for a motion. Ms. Ward made a motion to approve the proposed updates to the Revenue, Tax Supported Debt Evaluation, and Restructuring Criteria as presented. Director Rolband seconded. The motion carried.

Old Business

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

New Business


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

Public Comment

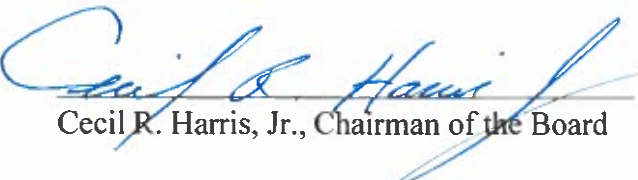
Chairman Harris asked if there were any comments from the public. There were none.

Adjournment

Ms. Donnellan made a motion, seconded by Treasurer Richardson, to adjourn the meeting. The motion carried and Chairman Harris adjourned the meeting at 10:06 a.m.


Shawn B. Crumlish, Executive Director
Board Secretary

APPROVED:


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

VIRGINIA RESOURCES AUTHORITY

-RESOLUTION-

**AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$350,000,000
IN STATE REVOLVING FUND REVENUE BONDS
FOR THE PERIOD ENDING SEPTEMBER 30, 2024**

September 12, 2023

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 \$350,000,000 (the “2024 Bonds”) at one time or from time to time and to use the proceeds of the 2024 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 2024 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 “2024 Model Supplement”), the debt service payments on the 2024 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 2024 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 2024 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 2024 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 2024 Bonds. The Board authorizes the issuance and sale of the 2024 Bonds, pursuant to the following terms and conditions: (i) the original aggregate principal amount of the 2024 Bonds shall not exceed \$350,000,000; (ii) no Series of the 2024 Bonds shall have a true interest cost in excess of 7.0%; and (iii) the final maturity of any of the 2024 Bonds of any Series shall be no later than December 31, 2057. It is hereby found and determined that the debt service payments on the 2024 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 2024 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 2024 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 2024 Bonds of the Series on VRA's behalf.

3. Approval of Supplemental Series Indentures. Each Series of 2024 Bonds shall be issued pursuant to the Master Indenture and a Supplemental Series. With respect to each Series of 2024 Bonds authorized under this Resolution, the Chairman and Executive Director, either of 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, which shall be in substantially the form of the 2024 Model Supplement, with such changes, insertions or omissions, including the establishment of additional reserve funds for all or any portion of the 2024 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 2024 Bonds. The Executive Director is authorized and directed to have the 2024 Bonds of each Series prepared in substantially the form attached to the 2024 Model Supplement submitted to this meeting, to have such 2024 Bonds executed pursuant to the terms of the Master Indenture and the related Supplemental Series Indenture, to deliver such 2024 Bonds to the Trustee for authentication, and to cause such 2024 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 2024 Bonds. Each Series of 2024 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 2024 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 2024 Bonds upon terms and conditions to be approved by the Chairman and Executive Director within the parameters set forth in paragraph 1 above.

6. Direct Placement of 2024 Bonds. VRA’s Chairman and Executive Director, either of whom may act, are authorized to solicit and consider, if determined to be desirable, proposals for the sale of any 2024 Bonds through a direct placement with a bank or other financial institution and to negotiate the terms of such sale within the parameters set forth in paragraph 1 above. The Chairman and Executive Director, either of whom may act, are authorized to execute and deliver a purchase contract or agreement reflecting such proposal.

7. 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 2024 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.

8. Official Statement. Upon the public sale of any Series of the 2024 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 2024 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 2024 Bonds.

9. Credit Enhancement. The Executive Director is authorized to procure bond insurance for all or any portion of the 2024 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.

10. Tax Matters. The Executive Director is authorized and directed to (i) conduct public hearings in connection with the issuance of 2024 Bonds, if required under federal

or Virginia law, (ii) seek the approval of the Governor of the issuance of 2024 Bonds, if required under federal or Virginia law, and (iii) execute and deliver on VRA's behalf simultaneously with the issuance of each Series of the 2024 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 2024 Bonds and include such covenants as may be necessary to qualify the interest on all or any portion of each Series of the 2024 Bonds for exemption from gross income for federal income tax purposes or any 2024 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 2024 Bonds as he 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 2024 Bonds or Notes (as defined in paragraph 13 below) for purposes of paragraphs 1 and 13 hereof may take into account the net benefit expected to be received by VRA from the issuance of 2024 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 2024 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 2024 Bonds.

11. 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 2024 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 2024 Bonds.

12. 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 2024 Bonds; provided, however, that the provisions therein may be altered to accommodate different terms agreed to by VRA and the various Participants.

13. Interim Financing. Prior to the offering of any Series of 2024 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 2024 Bonds; provided that the aggregate principal amount of the Notes shall not exceed \$350,000,000 (less the aggregate principal amount of any previously issued series of 2024 Bonds), the term to maturity thereof shall not exceed five years and the true interest cost thereon shall not exceed 7.0% and the Notes shall be subject to such other terms and conditions contained in this Resolution to the extent not inconsistent with this paragraph 13. 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 2024 Bonds and may be retired, in the discretion of the Board, from the proceeds of the corresponding Series of 2024 Bonds or by means of current revenues or other funds, provided that the maximum amount of the series of 2024 Bonds authorized will be reduced by the amount of Notes retired by means of such current revenues or other funds.

14. 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 2024 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.

15. Effective Date; Termination. This Resolution shall be immediately effective. The authority to issue 2024 Bonds and Notes pursuant to this Resolution shall terminate on September 30, 2024.

VIRGINIA RESOURCES AUTHORITY

-RESOLUTION-

DECLARING THE OFFICIAL INTENT OF THE VIRGINIA RESOURCES AUTHORITY TO REIMBURSE CERTAIN DIRECT LOAN PROGRAM EXPENDITURES WITH THE PROCEEDS OF BONDS

September 12, 2023

WHEREAS, the Virginia Resources Authority ("VRA") 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 "VRA Act"), and governed by a Board of Directors (the "Board") constituted as provided in Section 62.1-201 of the VRA Act; and

WHEREAS, on June 13, 2023, the Board adopted a resolution providing for the use of up to \$5 million of the balance in VRA's Portfolio Risk Management Reserve (the "PRM Reserve") to make short-term loans and/or small direct loans to local governments in FY2024 (the "Direct Loan Program"); and

WHEREAS, the balance in the PRM Reserve has not been derived from the proceeds of tax-exempt bonds; and

WHEREAS, VRA reasonably expects from time to time to issue and sell tax-exempt bonds through the Virginia Pooled Financing Program or otherwise ("Bonds") secured in whole or in part by the above-described loans and to apply all or a portion of the net proceeds of the Bonds to reimburse the PRM Reserve for the original expenditures of the PRM Reserve balance to fund the loans (the "Equity"); and

WHEREAS, bond counsel has advised that Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") requires the Board to adopt a resolution in the form hereof to preserve VRA's ability to use the proceeds of the Bonds to reimburse the PRM Reserve as described above.

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. Maximum Principal Amount of Bonds. The loans initially funded with Equity are intended to be permanently financed and the original expenditures of Equity to be reimbursed to the Fund through VRA's issuance and sale of Bonds in the maximum principal amount of \$6,500,000.

2. Declaration of Official Intent. This Resolution is intended to represent a declaration of "official intent" pursuant to the Reimbursement Regulations; provided that this Resolution does not represent a binding commitment to issue and sell any Bonds. The Board has

authorized or will authorize the issuance and sale of the Bonds in one or more separate resolutions.

3. Nature of Original Expenditures Eligible for Reimbursement. Bond counsel has advised that, in general, an expenditure of Equity to make a loan to a Local Government prior to the issue date of the Bonds will be reimbursable if the original expenditure (i) will be used, on the date it is paid, to pay a capital expenditure of the Local Government under general federal income tax principles, (ii) is paid not earlier than 60 days before the adoption of this Resolution, and (iii) is reimbursed not later than 18 months after the date it is paid.

4. Consistency. The adoption of this Resolution is consistent with the budgetary and financial circumstances of VRA.

5. 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 contemplated by this Resolution. Any of the foregoing previously done or performed by any officer of VRA is in all respects approved, ratified and confirmed.

6. Effective Date. This Resolution shall be effective from and after its adoption.

VIRGINIA RESOURCES AUTHORITY

SUPPLEMENTAL RESOLUTION

AUTHORIZING THE MAKING OF LOANS
FROM CERTAIN UNRESTRICTED NET ASSETS

September 12, 2023

WHEREAS, the Virginia Resources Authority (“VRA”) 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 “VRA Act”); and

WHEREAS, the VRA Act provides that VRA 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 any county, city, town, municipal corporation, authority, district, commission or political subdivision created by the General Assembly or pursuant to the Constitution and laws of the Commonwealth or any combination of any two or more of the foregoing (“Obligors”) to finance or refinance the costs of the facilities or projects now or hereafter described in Section 62.1-199 of the VRA Act (each a “Project” and, collectively, the “Projects”); and

WHEREAS, by a resolution adopted by the Board of Directors of VRA (the “Board”) on December 13, 2022, the Board amended VRA’s Unrestricted Net Asset Policy to, among other things, allow for the utilization of the Unrestricted Net Asset Balance in excess of (i) the Working Capital Reserve and (ii) the PRM Target for the PRM Reserve (the “Unrestricted Proceeds”) to provide funding for loans or other funding mechanisms that would be inefficient to finance through other existing VRA programs, subject to formal authorization from the Board through a resolution; and

WHEREAS, given such prior Board action and in accordance with VRA’s Unrestricted Net Asset Policy, by a resolution adopted by the Board on June 13, 2023 (the “Original Resolution”), the Board authorized VRA to make loans from the Unrestricted Proceeds to Obligors to finance or refinance the costs of qualified Projects (the “Direct Loan Program”); and

WHEREAS, the foregoing arrangements are to be reflected in a model financing agreement (the “Financing Agreement”) used in making the loans, the form of which is on file with VRA; and

WHEREAS, the Board has now determined to supplement the Original Resolution for the designated period of time set forth herein to authorize VRA to make loans through the Direct Loan Program in lieu of currently financing the costs of such qualified Projects through its Virginia Pooled Financing Program.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VIRGINIA RESOURCES AUTHORITY AS FOLLOWS:

1. Notwithstanding anything contrary contained in this Supplemental Resolution, VRA is authorized to make loans up to the uncommitted balance of the Unrestricted Proceeds, but in no event more than \$6,500,000 in aggregate principal amount of such Unrestricted Proceeds, as such amounts are available from time to time.

2. The Board determines that it is in the best interest of VRA to make loans through the Direct Loan Program; provided, however, that such loans shall be subject to the following terms and conditions: (i) each loan shall be formally authorized and approved by the Obligor's governing body for at least the principal amount of the loan; (ii) each loan shall be evidenced and secured by a financing or funding agreement or lease between the Obligor and VRA, containing such terms and conditions as may be authorized or approved by the Executive Director of VRA (the "Executive Director"); (iii) the amount of each loan shall not exceed the cost to finance or refinance a qualified Project; (iv) the final maturity date of each loan shall be not later than December 31, 2043; and (v) the interest rate on each loan shall be set to approximate the cost of funds available to VRA in the public debt markets, but in no event shall such interest rate exceed seven percent (7.0%) per annum. Without the need for additional approval by this Board, the Executive Director is authorized on behalf of VRA to solicit, accept and approve applications from local governments within the Commonwealth to be potential Obligors. The criteria for approving the loans from Obligors shall in no event be less stringent than VRA's internal credit criteria previously approved by this Board and in effect from time to time.

3. The model Financing Agreement on file with VRA is hereby approved for use in connection with the Direct Loan Program; provided, however, that the provisions therein may be altered to accommodate different terms agreed to by VRA and the various participating Obligors, with the advice of counsel.

4. Each of the Executive Director, Chairman of VRA and Vice Chairman of VRA is authorized to execute and deliver on behalf of VRA such instruments, documents or certificates, and to do and perform such acts and things as such officer shall deem necessary or appropriate to carry out the loan transactions contemplated by this Supplemental Resolution, including, but not limited to, the administration and enforcement of any financing or funding agreement or lease, and all of the foregoing, previously done or performed by any such officer, are in all respects approved, ratified and confirmed.

5. The authorizations granted in this Supplemental Resolution to the Executive Director may be carried out by any employee designated by the Executive Director or by any Interim or Acting Executive Director, as appropriate, in the absence of the Executive Director.

6. Terms used but undefined in this Supplemental Resolution shall be as defined in the Unrestricted Net Asset Policy, as currently in effect and as may be amended from time to time.

7. This Supplemental Resolution shall take effect immediately upon adoption and while in effect shall replace the Original Resolution. The authority to make loans pursuant to this Supplemental Resolution shall terminate on December 31, 2023. In the event less than \$5,000,000

in aggregate principal amount of loans are made pursuant to this Supplemental Resolution, the Original Resolution shall be reinstated on January 1, 2024 and shall remain in full force and effect upon the terms set forth therein, with the authorization of the Original Resolution reduced by the aggregate principal amount of loans made pursuant to the Supplemental Resolution.