

**Virginia Resources Authority  
Audit Committee Meeting  
Minutes of the Regular Meeting  
Held September 9, 2024**

The Audit Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, September 9, 2024, 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. David Branscome, Committee Chair; Mr. Dan Featherly; Mr. Mike Swain for Director of Aviation Greg Campbell; and Mr. Cecil R. Harris, Jr., Board Chairman. Ms. Barbara Donnellan was also present.

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

**Call to Order**

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

**Approval of Agenda**

Chair Branscome made a motion to approve the agenda as presented. Board Chairman Harris seconded. The motion carried.

**Presentation of FY2024 Audit**

Chair Branscome called on Mr. Doughtie, Director of Administration and Finance, to introduce the external auditor. Mr. Doughtie introduced Mr. Max Pfaffenberger, who was the manager on the VRA audit.

Mr. Pfaffenberger complemented the staff turnaround and prompt communication. He said that the accounting team was easy to work with during the audit process. Mr. Pfaffenberger explained the responsibilities of governance, management, and the independent auditors and noted the independent auditors' report was on page 9 of the Annual Comprehensive Financial Report (ACFR) before meeting with the Audit Committee in closed session.

### **Executive Session with Auditors**

Chair Branscome directed General Counsel to read 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. 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 9, 2024 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.*

Chair Branscome made the motion, and Mr. Featherly seconded. Ms. Gilliland took a roll call vote of the Committee members, with all members voting affirmatively. The closed session was duly certified. Board member Ms. Donnellan arrived for a later meeting and participated in the remainder of the Audit Committee.

### **FY2024 Financial Highlights**

Mr. Doughtie proceeded with a financial performance summary presentation and an overview of the ACFR. Mr. Featherly inquired about the category of other expenses, to which Mr. Doughtie explained the other income and other expenses categories related to bond refunding activity. Mr. Doughtie further explained that there were no pooled bond program refundings last year due to the interest rate environment. He noted that VRA received the

GFOA's Certificate of Achievement for Fiscal Year (FY) 2023, the 16<sup>th</sup> consecutive award for VRA and that VRA will submit the FY2024 ACFR for award consideration next year. Mr. Doughtie encouraged members to review the audit's Management Discussion and Analysis section, which includes condensed financials.

After Mr. Doughtie's presentation, Chair Branscome made a motion, to which Mr. Featherly seconded, to recommend Board approval of the fiscal year 2024 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 that no changes were being proposed.

### **ARMICS Update**

Mr. Doughtie introduced Ms. O'Brien, Accounting Manager, to explain the Agency Risk Management and Internal Control Standards (ARMICS). Ms. O'Brien explained the history and overall purpose of ARMICS. Mr. Featherly asked if ARMICS is strictly a review of accounting processes, to which Ms. O'Brien replied it is a review of all significant internal processes, including accounting processes. Ms. O'Brien noted that VRA was on track to submit the required filings by the deadline and that no changes or findings have been identified but that the process is underway. Board Chairman Harris asked if there was a finding would that be brought back to the Board. Ms. O'Brien replied that a significant process finding would be brought to the Board. She added that if a best management practice were identified, it would be a change and not a finding.

### **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**

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

Minutes of the Audit Committee Meeting  
September 9, 2024

**Adjournment**

Chair Branscome then made a motion, seconded by Mr. Featherly, to adjourn the meeting. The motion carried and the meeting adjourned at 1:33 p.m.



Shawn B. Crumlish, Executive Director  
Board Secretary

APPROVED:



David Branscome, Committee Chair

**Virginia Resources Authority  
Budget and Investment Committee Meeting  
Minutes of the Meeting  
Held September 9, 2024**

The Budget and Investment Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, September 9, 2024, 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: State Treasurer David Richardson, Committee Chair; Mr. Scott Mayausky; Mr. Mike Swain for Director of Aviation Greg Campbell; and Mr. Cecil R. Harris, Jr., Board Chairman. Ms. Barbara Donnellan and Mr. Dan Featherly were 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 Ms. Nola Zhang. Mr. David Calvert and Mr. Scott Fleming of PFM Asset Management; Ms. Megan Gilliland, General Counsel, of Kaufman & Canoles, P.C.; and Ms. Anne Curtis Saunders of McGuireWoods LLP were also present.

### **Call to Order**

Chair Richardson called the meeting to order at 2:02 p.m. He invited everyone to introduce themselves for the benefit of the new Board appointees.

### **Approval of Agenda**

Chair Richardson asked for a motion to approve the agenda as presented. Board Chairman Harris made the motion and Mr. Swain seconded. The motion carried.

### **Cash Equivalents and Investment Overview**

Chair Richardson called on Mr. Bergeron, Director of Financial Services and Investments, for a presentation. Mr. Bergeron introduced the external investment advisors and provided an overview of VRA investments. Mr. Bergeron explained that VRA prefers to use the LGIP [Local Government Investment Program] for short-term dollars and prefers to use PFM Asset Management for dollars not expected to be disbursed over the next 12 months.

## **Portfolio Performance**

Mr. Bergeron continued his presentation with the portfolio performance, noting all external managers outperformed their benchmarks, and asked Mr. Calvert to comment on the attribution analysis/allocation of investments. Board Chairman Harris asked if this was the first year that VRA had Asset-Backed Securities and Commercial Mortgage-Backed Securities in the portfolio. Mr. Calvert and Mr. Bergeron said that these assets have been in the portfolio for several years. Mr. Bergeron asked Mr. Calvert to explain the 1–5 year benchmark.

## **Investment Policy Overview**

Mr. Bergeron provided an overview of the Investment Policy. Chair Richardson said the Investment Policy is consistent with Virginia Department of the Treasury processes.

## **Investment Policy Updates**

Mr. Bergeron reviewed recommended Investment Policy updates as identified in the memo provided to the Board. He asked Mr. Calvert to comment on the policy updates. Discussion ensued about the recommended updates.

Board Chairman Harris asked about back-testing the proposed benchmark. Mr. Bergeron replied that he used 20 years of data to provide the benchmark analysis. Chair Richardson asked if the proposed benchmark would change operations or if it is an attempt to catch up to the current strategy. Mr. Calvert said there would be modest changes in tactical allocations, and Mr. Fleming agreed.

Chair Richardson asked if there is a desire to set a target of short-term dollars as Treasury does in its policy or whether staff prefers a flexible policy. Mr. Bergeron replied that flexibility was preferred because staff conducts monthly cash flow modeling for the needs of the revolving funds.

Board Chairman Harris made a motion to recommend approval by the VRA Board of the Investment Policy as presented by staff. Mr. Swain seconded and the motion carried.

## **Old Business**

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

Minutes of the Budget and Investment Committee Meeting  
September 9, 2024

**New Business**

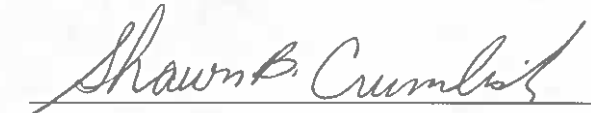
Chair Richardson asked if there was any new business to come before the Committee. There was none.

**Public Comment Period**

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

**Adjournment**

Chair Richardson made a motion to adjourn the meeting and the Board Chairman seconded. Chair Richardson adjourned the meeting at 2:42 p.m.

  
Shawn B. Crumlish, Executive Director  
Board Secretary

APPROVED:

  
David Richardson, Committee Chair

**Virginia Resources Authority  
Portfolio Risk Management Committee Meeting  
Minutes of the Regular Meeting  
Held September 9, 2024**

The Portfolio Risk Management Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, September 9, 2024, 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: Ms. Barbara Donnellan, Committee Chair; Mr. Michael Rolband, Director of the Department of Environmental Quality; Ms. Maria Tedesco; and Mr. Cecil R. Harris, Jr., Board Chairman. Mr. Dwayne Roadcap with the Virginia Department of Health was absent. Mr. Dan Featherly and Mr. Scott Mayausky were also present.

VRA staff participants included: Mr. Shawn B. Crumlish, Executive Director and Board Secretary; Mr. Joe Bergeron; Ms. Lily Buysse; Ms. Angela Cotton; Mr. Peter D'Alema; Mr. Curtis Doughtie; Ms. Stephanie Jones; Mr. Tony Leone; Mr. Spencer Murray; Mr. Kevin O'Reilly; and Ms. Nola Zhang. Additional attendees were Ms. Megan Gilliland, General Counsel, of Kaufman & Canoles, P.C.; Ms. Anne Curtis Saunders of McGuireWoods LLP; and Mr. Ty Wellford of Davenport & Company, LLC.

### **Call to Order**

Chair Donnellan called the meeting to order at 3:02 p.m.

### **Approval of Agenda**

Chair Donnellan made a motion to approve the agenda as presented. Director Rolband seconded. The motion carried.

### **Clean Water Revolving Loan Fund (CWRLF) and Drinking Water State Revolving Fund (DWSRF) Program Overview and Updates**

Chair Donnellan called on Mr. Bergeron, Director of Financial Services and Investments, who provided an overview of the State Revolving Funds (SRFs).

### **SRF Bonds**

Mr. Bergeron explained that when the CWRLF or DWSRF programs are oversubscribed, SRF bonds are issued to address funding shortfalls. During the presentation, Chair Donnellan



asked about the lead and copper rule deadline, to which Mr. Crumlish replied it was an EPA rule with an October deadline for inventories to be completed. Director Rolband provided additional background and said that the rule requires that lead drinking water pipes be replaced by 2033.

### **FY2025 SRF Shelf Resolution**

Mr. Bergeron presented the Fiscal Year (FY) 2025 SRF bond shelf resolution and explained the key features. Director Rolband asked how the 7% parameter on the interest rate was selected, to which Mr. Bergeron replied it was chosen out of an abundance of caution. Chair Donnellan explained to the new appointees why a shelf resolution is needed.

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

### **VPFP Summer Series 2024B Pricing Results**

Chair Donnellan called on Mr. D'Alema, Director of Program Management, for a presentation. Mr. D'Alema explained the features of the Virginia Pooled Financing Program (VPFP) for the new appointees. He also provided an overview of the summer pool, including explaining the new money and refunding applications. At the Chair's request, Mr. D'Alema explained the 3% net present value (NPV) savings target for refunding activity. Mr. Mayausky asked if VRA monitors the portfolio for potential savings for local governments. Mr. D'Alema affirmed that VRA does so along with its financial advisor and notifies localities to gauge interest. Mr. Crumlish noted that the loan to Powhatan County was partially for a bank loan refunding. Mr. Wellford added that the VPFP loans have a 10-year call provision and the local loans in a particular series all have the same call date. He said that this provides the universe of loans that would be eligible for refundings. Chair Donnellan added that the NPV savings are calculated over the life of the loan and are not annual savings but that refundings help reduce debt service payments.

### **VPFP Portfolio Update**

Mr. D'Alema provided an update of the VPFP portfolio, including noting that Rivanna Water and Sewer Authority became the largest borrower following the summer pool, eclipsing City of Suffolk, which had been the program's largest borrower for over a decade.

### **Commonwealth MO Debt Capacity Update**

Mr. D'Alema explained the available Moral Obligation debt capacity, which was \$582 million at fiscal year-end 2024.

**VPFP Fall Series 2024C Update**

Mr. D'Alema provided information about the fall pool, highlighting the two largest applications which were for Richmond Metropolitan Transportation Authority and Shenandoah County. He also shared the financing calendar with the Committee.

**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. Tedesco, Chair Donnellan adjourned the meeting at 3:48 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 10, 2024**

The Board of Directors of the Virginia Resources Authority (VRA) met on Tuesday, September 10, 2024, 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. Cecil R. Harris, Jr., Chairman; Mr. David Branscome; Ms. Barbara Donnellan; Mr. Dan Featherly; Mr. Scott Mayausky; State Treasurer David Richardson; Mr. Michael Rolband, Director of the Department of Environmental Quality (DEQ); Mr. Mike Swain on behalf of Greg Campbell, Director of the Department of Aviation; and Dr. Charlette Woolridge. Mr. Dwayne Roadcap with the Virginia Department of Health (VDH) and Ms. Maria Tedesco were absent.

VRA staff participants included: Mr. Shawn B. Crumlish, Executive Director and Board Secretary; Mr. Joe Bergeron; Mr. Peter D'Alema; Mr. Curtis Doughtie; Ms. Stephanie Jones; Mr. Spencer Murray; and Ms. Nola Zhang. Additional attendees were Ms. Megan Gilliland, General Counsel, of Kaufman & Canoles, P.C.; Mr. Robert Mellinger of Truist Securities; Mr. Max Pfaffenberger of CliftonLarsonAllen LLP; Ms. Anne Curtis Saunders of McGuireWoods LLP; Ms. Kelly Ward of DEQ; and Mr. Ty Wellford, Ms. Gracie Caplice, and Mr. Clay Littel all of Davenport & Company, LLC.

### **Call to Order**

Chairman Harris called the meeting to order at 9:00 a.m. He asked everyone to introduce themselves to the new Board appointees.

### **Approval of Agenda**

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

### **Recognition of Mary B. Bunting and Bill Kittrell**

The Chairman explained that there are recognition resolutions for Ms. Bunting and Mr. Kittrell in the Board packet and asked for a motion. Dr. Woolridge made a motion, seconded by State Treasurer Richardson, to adopt the recognition resolutions of both Mary B. Bunting and Bill Kittrell as presented by staff. The motion carried.

### **Approval of Meeting Minutes**

Chairman Harris made a motion to approve the following meeting minutes in a block:

- Personnel Committee Meeting held June 10, 2024
- Budget and Investment Committee Meeting held June 10, 2024
- Portfolio Risk Management Committee Meeting held June 10, 2024
- Board of Directors Meeting held June 11, 2024

Mr. Branscome seconded. The new Board appointees whose first meeting was this quarter, as well as Dr. Woolridge who was absent last quarter, abstained from the minutes approval. All others voted affirmative and the motion to approve the minutes in a block carried.

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

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

### **Policies Governing Electronic Participation in Meetings**

The Chairman called on General Counsel to explain the updated policies. Ms. Gilliland explained that updates to the policies were made in accordance with updates to the FOIA [Freedom of Information Act] and added that the Board would be asked to re-adopt annually. The Chairman clarified that the policies lapse if not adopted annually and Ms. Gilliland agreed. Brief discussion ensued about the policies. Director Rolband asked if VRA would now be hosting half of its meetings virtually, to which the Chairman responded that was not the intent. The Executive Director suggested that an all-virtual meeting may be suited to a special meeting not on the regular quarterly schedule which VRA intended to maintain as in-person meetings. Upon conclusion of the discussion, Dr. Woolridge made a motion to adopt the following policies as presented in a block:

- Policy Governing All-Virtual Public Meetings
- Policy Governing Electronic Participation in Meetings

Director Rolband seconded the motion. The motion carried.

### **Report of the Executive Director**

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

Mr. Crumlish highlighted the Town of Narrows' project, which was the first project financed through the Local Government Direct Loan Program (DLP). He reminded the Board that in June the Board authorized \$5 million for the DLP. Mr. Branscome asked how Town of Narrows found out about the new program to which Mr. Crumlish replied that their engineering firm referred them to VRA.

Mr. Crumlish said that the Clean Water program accepted applications in June and that once again the program is experiencing a high level of demand. The Executive Director noted that Board members can observe the pending projects pipeline which is available in the Executive Director's Report Attachment A. He continued by congratulating the Department of Aviation on their 50<sup>th</sup> Virginia Aviation Conference, at which VRA was an exhibitor.

### **Report of Audit Committee**

Chairman Harris next called on Committee Chair Branscome who asked Mr. Curtis Doughtie, Director of Administration and Finance, for a summary of the Committee discussion. Mr. Doughtie introduced Mr. Pfaffenberger with CliftonLarsonAllen LLP. Mr. Pfaffenberger shared the required governance communication with the Board.

Mr. Doughtie then highlighted the condensed financial statements. He explained that there is \$2.5 billion in restricted net position, which is restricted for loan activity, and that the remainder, \$33 million, is considered reserves. Mr. Doughtie noted that the category of other income and expenses is related to defeasances in the bond program. He said that the net contributions line item is related to appropriations for the Community Flood Preparedness Fund and Resilient Virginia Revolving Fund, as well as federal capitalization grants for the Clean Water and Drinking Water programs. Mr. Doughtie explained the significant sections of the Annual Comprehensive Financial Report (ACFR) and shared the GFOA Certificate of Achievement award. Mr. Featherly asked why there was 0% net change for other expenses, to which Mr. Doughtie said it was an Excel formula default to not return a divide by zero error message.

Committee Chair Branscome thanked Mr. Doughtie and the accounting team for their good work. Mr. Branscome made a motion to approve the fiscal year 2024 ACFR as presented. Ms. Donnellan seconded. The motion carried.

### **Report of Budget and Investment Committee**

Chairman Harris called on Committee Chair Richardson for the Budget and Investment Committee meeting report. Treasurer Richardson shared a summary of the meeting and said there was an action item pertaining to the Investment Policy. The Committee Chair asked Mr. Bergeron, Director of Financial Services and Investments, for remarks. Mr. Bergeron said that fiscal year 2024 was a good year from a returns standpoint. He provided an overview of the investments; mentioned there is a quarterly investment report included in the Executive Director's Report to the Board; highlighted portfolio performance; provided an overview of the Investment Policy, which he said was certified by the Government Investment Officers Association a couple years ago; and reviewed the most substantial proposed Investment Policy update which was a proposed change to the benchmark. Mr. Bergeron mentioned that the proposed changes to the Investment Policy were outlined in a memo included in the Board packet. The Committee Chair explained that the reason for the proposed change is the benchmark will match closer to operations so that it is a more accurate comparison.

Committee Chair Richardson made a motion to approve the Investment Policy as presented by staff. Director Rolband 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). During discussion of the federal SRF funding, Mr. Featherly asked how the EPA capitalization grant is distributed to which Mr. Bergeron called on Ms. Ward. Ms. Ward explained the process for EPA awards. Mr. Bergeron explained that the Infrastructure Investment and Jobs Act (IIJA) has increased funding to the program over five years, but that Virginia has seen a decline in the base capitalization grant because of earmarks (Congressionally Directed Spending) which is distributed first and reduces the amount available for the base grants. He mentioned that groups like CIFA, on which Mr. Crumlish serves as a Board member, are monitoring the SRF funding. Mr. Mayausky clarified the organization to which Mr. Crumlish said it is the nationwide Council for Infrastructure Financing Authorities. Mr. Bergeron explained the borrower concentration in the programs.

Mr. Bergeron then described the FY2025 SRF bond shelf resolution. Mr. Wellford provided background information explaining that VRA would borrow to meet funding needs of the SRF programs but is not overborrowing so that the programs will grow. There were questions about the high level of demand for the programs to which Ms. Ward explained the Drinking Water program received \$1.2 billion in applications at the beginning of the IIJA funding being announced. Mr. Featherly asked if applicants must reapply if they do not receive

Minutes of the VRA Board of Directors Meeting  
September 10, 2024

funding. Mr. Bergeron and Ms. Ward said they are not required to reapply but that there is a process for the agencies to rescind awards when project construction has not commenced in a timely manner. Mr. Bergeron said the agencies use a “bypass letter” to notify applicants if their funding is potentially in jeopardy and to ask for project updates. Mr. Mayausky asked if the projects are prioritized, to which Mr. Bergeron replied that the projects are reviewed and scored by DEQ and VDH. Mr. Swain asked if the localities received federal COVID response funds for Clean Water and Drinking Water purposes similar to the funding that airports received, to which Mr. Bergeron replied that local governments received federal funding but the funds did not go through the SRF programs.

Committee Chair Donnellan made a motion, seconded by Mr. Rolband, to approve the FY2025 SRF shelf resolution as presented by staff. The motion carried.

Committee Chair Donnellan called on Mr. D’Alema, Director of Program Management, for a presentation. Mr. D’Alema provided Virginia Pooled Financing Program (VPFP) updates on: the 2024B issuance; the local loan portfolio, including that Rivanna Water and Sewer Authority is now the top borrower; Moral Obligation debt capacity; and the 2024C issuance which received seven local government applications. He said that VRA has seen a return to a more normal average demand period after a lower demand period in calendar years 2022 and 2023.

### **Old Business**

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

### **New Business**

Chairman Harris noted that VRA was reviewing its Strategic Plan and that he would form an ad hoc Committee for this purpose. Mr. Crumlish and Ms. Jones provided background on VRA’s Strategic Plan.

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

### **Public Comment**

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

Minutes of the VRA Board of Directors Meeting  
September 10, 2024

**Adjournment**

Ms. Donnellan made a motion, seconded by Mr. Branscome, to adjourn the meeting. The motion carried and Chairman Harris adjourned the meeting at 10:09 a.m.

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

Shawn B. Crumlish, Executive Director  
Board Secretary

APPROVED:

A handwritten signature in blue ink, reading "Cecil R. Harris, Jr.", written over a horizontal line.

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





**Resolution Expressing Appreciation and Thanks from the  
Board of Directors  
of the Virginia Resources Authority to  
Mary B. Bunting**

**September 10, 2024**

***WHEREAS***, the Virginia Resources Authority is a public body corporate and a political subdivision of the Commonwealth established to encourage the investment of public and private funds and to make loans, grants, and credit enhancements available to local governments for public projects; and

***WHEREAS***, these duties are exercised by a Board of Directors whose members are appointed by the Governor and confirmed by the General Assembly; and

***WHEREAS***, Mary B. Bunting was appointed in September 2016 by Governor Terence R. McAuliffe and subsequently reappointed in August 2020 by Governor Ralph Northam; and

***WHEREAS***, Mary B. Bunting began her career with the City of Hampton as Assistant to the City Manager in 1990, was promoted to Assistant City Manager in 1995 and subsequently to City Manager in 2009, becoming the first female City Manager in Hampton's history of the position, and also following in the footsteps of her mother, renowned City Manager of Roanoke, Virginia; and

***WHEREAS***, Mary B. Bunting's seasoned experience as a local government manager made her uniquely qualified for serving on and contributing to the Board of Directors; and

***WHEREAS***, during Mary B. Bunting's term on the Board, VRA-managed programs provided nearly \$4 billion of infrastructure financing for more than 1,500

local government projects, representing a third of the investment financed during VRA's 40-year history; and

***WHEREAS***, Mary B. Bunting's first-hand knowledge of local governments enabled her to provide valuable context to discussions of the local financing environment; and

***WHEREAS***, as a member of the Audit Committee, Mary B. Bunting received required communications from the Authority's external auditor about audit execution and results; and

***WHEREAS***, as a member of the Budget and Investment Committee, Mary B. Bunting contributed to the adoption of the Authority's annual budget, monitored presentations from external investment advisors, and adopted a revised Investment Policy that has been certified by the Government Investment Officers Association as meeting industry best practices; and

***WHEREAS***, Mary B. Bunting's distinguished local government career and proven track record in executive leadership led to her appointment as the first-ever Chair of the Board's newly constituted Compliance Committee in June 2021; and

***WHEREAS***, as Chair of the Compliance Committee, Mary B. Bunting was instrumental in the review and adoption of loan monitoring metrics, as well as in providing oversight to the Authority's ongoing loan portfolio monitoring; and

***WHEREAS***, Mary B. Bunting's participation and insights helped VRA successfully navigate a period of record program growth; now

***THEREFORE, BE IT RESOLVED*** that the Board of Directors of the Virginia Resources Authority commends Mary B. Bunting for her dedication to and hard work on behalf of the Virginia Resources Authority and the Commonwealth of Virginia; and

***BE IT FURTHER RESOLVED***, that the Board of Directors and staff of the Virginia Resources Authority thank her for her service to this body and to the Commonwealth.



**Resolution Expressing Appreciation and Thanks from the  
Board of Directors  
of the Virginia Resources Authority to  
Bill Kittrell**

**September 10, 2024**

***WHEREAS***, the Virginia Resources Authority is a public body corporate and a political subdivision of the Commonwealth established to encourage the investment of public and private funds and to make loans, grants, and credit enhancements available to local governments for public projects; and

***WHEREAS***, these duties are exercised by a Board of Directors whose members are appointed by the Governor and confirmed by the General Assembly; and

***WHEREAS***, Bill Kittrell was appointed in August 2020 by Governor Ralph Northam; and

***WHEREAS***, Bill Kittrell's familiarity with diverse regions of the Commonwealth and projects therein made him uniquely qualified for serving on and contributing to the Board of Directors; and

***WHEREAS***, during Bill Kittrell's term on the Board, VRA-managed programs provided nearly \$2 billion of infrastructure financing for more than 1,000 local government projects, representing a quarter of the projects financed during VRA's 40-year history; and

***WHEREAS***, Bill Kittrell's leadership in the conservation arena led to his invaluable participation in Board deliberations; and

***WHEREAS***, as a member of the Compliance Committee, Bill Kittrell contributed to the review and adoption of loan monitoring metrics, as well as provided oversight to the Authority's ongoing loan portfolio monitoring; and

***WHEREAS***, Bill Kittrell's distinguished nonprofit career and proven track record in executive leadership led to his appointment as Chair of the Board's Personnel Committee where he provided oversight to the Authority's human resource management; and

***WHEREAS***, as Chair of the Personnel Committee, Bill Kittrell oversaw the annual review of the performance of the Authority's Executive Director and annual development of the Personnel Budget, contributing to a highly effective and engaged team of professional staff; and

***WHEREAS***, Bill Kittrell's participation and insights helped VRA successfully navigate a period of record program growth; now

***THEREFORE, BE IT RESOLVED*** that the Board of Directors of the Virginia Resources Authority commends Bill Kittrell for his dedication to and hard work on behalf of the Virginia Resources Authority and the Commonwealth of Virginia; and

***BE IT FURTHER RESOLVED***, that the Board of Directors and staff of the Virginia Resources Authority thank him for his service to this body and to the Commonwealth.

# **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, 2025**

September 10, 2024

**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 “2025 Bonds”) at one time or from time to time and to use the proceeds of the 2025 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 2025 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 “2025 Model Supplement”), the debt service payments on the 2025 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 2025 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 2025 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 2025 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 2025 Bonds. The Board authorizes the issuance and sale of the 2025 Bonds, pursuant to the following terms and conditions: (i) the original aggregate principal amount of the 2025 Bonds shall not exceed \$350,000,000; (ii) no Series of the 2025 Bonds shall have a true interest cost in excess of 7.0%; and (iii) the final maturity of any of the 2025 Bonds of any Series shall be no later than December 31, 2058. It is hereby found and determined that the debt service payments on the 2025 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 2025 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 2025 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 2025 Bonds of the Series on VRA's behalf.

**3. Approval of Supplemental Series Indentures.** Each Series of 2025 Bonds shall be issued pursuant to the Master Indenture and a Supplemental Series. With respect to each Series of 2025 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 2025 Model Supplement, with such changes, insertions or omissions, including the establishment of additional reserve funds for all or any portion of the 2025 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 2025 Bonds.** The Executive Director is authorized and directed to have the 2025 Bonds of each Series prepared in substantially the form attached to the 2025 Model Supplement submitted to this meeting, to have such 2025 Bonds executed pursuant to the terms of the Master Indenture and the related Supplemental Series Indenture, to deliver such 2025 Bonds to the Trustee for authentication, and to cause such 2025 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 2025 Bonds.** Each Series of 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Bonds.

**9. Credit Enhancement.** The Executive Director is authorized to procure bond insurance for all or any portion of the 2025 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 2025 Bonds, if required under federal



or Virginia law, (ii) seek the approval of the Governor of the issuance of 2025 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 2025 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 2025 Bonds and include such covenants as may be necessary to qualify the interest on all or any portion of each Series of the 2025 Bonds for exemption from gross income for federal income tax purposes or any 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Bonds and may be retired, in the discretion of the Board, from the proceeds of the corresponding Series of 2025 Bonds or by means of current revenues or other funds, provided that the maximum amount of the series of 2025 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 2025 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 2025 Bonds and Notes pursuant to this Resolution shall terminate on September 30, 2025.