

**Virginia Resources Authority
Board Meeting
Minutes of the Regular Meeting
Held March 11, 2025**

The Board of Directors of the Virginia Resources Authority (VRA) met on Tuesday, March 11, 2025, 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 "Rhu" Harris, Jr., Chairman; Mr. David Branscome; Mr. Greg Campbell, Director of the Department of Aviation; Mr. Dan Featherly; Mr. Scott Mayausky; State Treasurer David Richardson; Mr. Dwayne Roadcap on behalf of Dr. Karen Shelton, State Health Commissioner; Mr. Michael Rolband, Director of the Department of Environmental Quality (DEQ); Ms. Maria Tedesco; and Dr. Charlette Woolridge. Ms. Barbara Donnellan was absent.

VRA staff participants included: Mr. Shawn B. Crumlish, Executive Director and Board Secretary; Mr. Joe Bergeron; Ms. Lily Buysse; Mr. Peter D'Alema; Ms. Stephanie Jones; Mr. Spencer Murray; and Ms. Catherine O'Brien. Additional attendees were Secretary of Finance Stephen Cummings; Ms. Megan Gilliland, General Counsel, of Kaufman & Canoles, P.C.; Ms. Anne Curtis Saunders of McGuireWoods LLP; Ms. Kelly Ward of DEQ; and Mr. Ty Wellford and Mr. Clay Littel of Davenport & Company, LLC.

Call to Order

Chairman Harris called the meeting to order at 9:02 a.m.

Approval of Agenda

Chairman Harris asked for a motion to approve the agenda as presented. A motion and second were made to approve the agenda as presented. The motion carried.

Approval of Meeting Minutes

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

- Strategic Planning Committee Meeting held December 4, 2024
- Portfolio Risk Management Committee Meeting held December 9, 2024
- Board of Directors Meeting held December 10, 2024

The motion was made and seconded. The motion to approve the minutes in a block carried.

Report of the Executive Director

Chairman Harris called on Mr. Crumlish to give the Executive Director's Report. Mr. Crumlish congratulated Dr. Woolridge and Mr. Doughtie on their new positions and shared that Ms. O'Brien has been named VRA's Interim Finance Director. The Executive Director noted that the Board members are required to complete Conflict of Interest Act training every two years and called on Ms. Jones, Director of Compliance and Policy, to share information. Mr. Crumlish continued his report by noting important items in the General Assembly's Conference Budget noting the requirement for VRA and the Virginia Department of Health to provide funding options to the Town of Crewe. He said the Budget awaits gubernatorial action. Mr. Crumlish mentioned that a topic of concern is the status of the municipal bond tax exemption, which is again being reviewed at the federal level.

The Executive Director called on Mr. D'Alema, Director of Program Management, for a presentation. Mr. D'Alema said that VRA received \$101 million in Virginia Pooled Financing Program (VPFP) applications for the 2025A pool. He described some of the projects and applications. Mr. D'Alema concluded his remarks with the summer transaction schedule.

Mr. Crumlish provided an update on the Railroad negotiation and said VRA will be working with McGuireWoods. He thanked Mr. Mayausky for help with the appraisal process and thanked Secretary Cummings for his involvement. Mr. Featherly asked if the Railroad did not respond to VRA's letter to which Mr. Crumlish said they had not responded until two weeks ago after the Town of Cape Charles encouraged the Railroad to do so. The Board Chairman asked Secretary Cummings if he would like to comment and the Secretary responded that he thinks everyone is ready to meet to discuss a solution.

Resolution Authorizing Grants and Loans Pursuant to the Resilient Virginia Revolving Fund Act

Chairman Harris called on the Executive Director to explain the next agenda item. Mr. Crumlish explained that there needs to be a resolution from the VRA Board of Directors authorizing VRA to make loans and grants from the Resilient Virginia Revolving Fund (RVRF). He said that this Fund could be used for disaster recovery funds for local governments as interim financing for projects ultimately reimbursed by the Federal Emergency Management Agency. Mr. Crumlish said that VRA is aware of two local governments needing financing for Storm Helene recovery projects: 1) Washington County Service Authority has a \$20 million project and 2) the Town of Wytheville has a \$6 million project. Secretary Cummings said he has been

working with the Executive Director and team and that VRA has an attitude of getting things done that is an asset. The Secretary said that he is focused on a comprehensive plan to get things done for Virginia.

Director Rolband asked why the Department of Conservation and Recreation (DCR) is not represented on the VRA Board of Directors. Ms. Jones responded that as VRA's eligible project types have expanded to 20 distinct funding areas, it has not been the goal to balloon the Board composition. She added that the Executive Director works closely with the DCR Director and Administration on furthering local government resiliency funding. Director Rolband mentioned that with the upcoming RGGI [Regional Greenhouse Gas Initiative] hearing on Thursday, there could be increased demand for RVERF. Mr. Crumlish reminded the Board that the Community Flood Preparedness Fund was funded in part with RGGI auction proceeds.

Director Rolband made a motion to which Mr. Mayausky seconded. The motion to approve the Resolution Authorizing Grants and Loans Pursuant to the Resilient Virginia Revolving Fund Act as presented carried.

Report of Compliance Committee

Chairman Harris called on Committee Chair Tedesco for the Compliance Committee Report. Committee Chair Tedesco stated that the Committee received the Loan Monitoring and Compliance Database (LMCD) Report and called on Ms. Jones for a presentation. Ms. Jones prefaced the presentation by explaining that the reason for the LMCD is to provide a summary of VRA's portfolios. She began the presentation sharing information on the largest programs, mentioning the strength of the VPFP and the Clean Water Revolving Loan Fund, and highlighting that the Drinking Water State Revolving Fund program has historically been weaker because it serves many disadvantaged communities. Ms. Jones mentioned that VRA's funding dashboard visualizes the high concentration of Drinking Water loans in southwest Virginia. She discussed loan defaults, first stating that the legacy Agricultural Best Management Practices loan program that was active between 2000 and 2016 experienced a few loan defaults. Ms. Jones added that the legacy program was previously serviced by the Farm Credits but that VRA has brought the remaining legacy loans into its accounting system. She also mentioned New River Water Company's default in January 2021, which was reported to Board members at the time.

Ms. Jones shared a couple slides on borrowers whose risk had increased in response to a question from the Chairman the day prior. There were a few questions related to specific borrowers whose risk had increased. Chairman Harris reminded the Board members that the updated Database metrics adopted in December 2022 had removed the state aid intercept credit enhancement which would indicate reduced risk for some borrowers. Ms. Jones concurred that the state aid intercept is a valuable credit enhancement which improves the actual exposure risk.

Mr. Mayausky asked a question pertaining to the growth of assessed property valuation and noted that there are differences in the frequency of valuation updates, since some localities reassess property annually, whereas others reassess every few years. Ms. Jones stated that the base of the real estate per capita metric, prior to its annual growth adjustment, was the dispersion of values across VRA borrowers, so the frequency of assessments will not have a large overall impact on a borrower's risk category.

Report of Personnel Committee

Chairman Harris called on Committee Chair Woolridge for the Personnel Committee Report. Dr. Woolridge said that VRA conducts a compensation study every few years. She shared that the consultants from Gallagher reported that VRA salaries are in line with the market. Dr. Woolridge next said the Committee talked about the Executive Director performance review plan and that Board members can provide feedback to questions to be circulated by the Board Chairman. She said that the Committee will hold a closed session at its June meeting, as is customary, to discuss the Executive Director's performance. The Chairman remarked that he was sure there would be nothing but great comments on the Executive Director.

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. Ms. Jones informed the Board members that the Chairman asked the team to set up a portable conference display for Board members to explore VRA's funding dashboard. Chairman Harris said that local government officials have appreciated seeing the volume of VRA loan funding. There was no other new business.

Public Comment


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

Adjournment

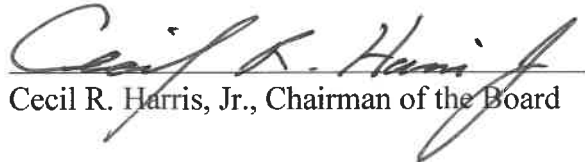
Director Rolband made a motion, seconded by Dr. Woolridge, to adjourn the meeting. The Chairman thanked Secretary Cummings for his and Deputy Secretary Markowitz's work on

Minutes of the VRA Board of Directors Meeting
March 11, 2025

behalf of the Commonwealth. The motion carried and Chairman Harris adjourned the meeting at 9:42 a.m.


Shawn B. Crumlish, Executive Director
Board Secretary

APPROVED:


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

**Virginia Resources Authority
Compliance Committee Meeting
Minutes of the Regular Meeting
Held March 10, 2025**

The Compliance Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, March 10, 2025, 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. Maria Tedesco, Committee Chair; Mr. David Branscome; Mr. Scott Mayausky; and Mr. Cecil R. Harris, Jr., Board Chairman. Dr. Charlette Woolridge was absent.

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

Call to Order

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

Approval of Agenda

Mr. Branscome made a motion to approve the agenda as presented, which was seconded by Mr. Mayausky. The motion carried.

Loan Monitoring and Compliance Database Presentation

Committee Chair Tedesco said that the Committee will receive a presentation on the Loan Monitoring and Compliance Database (LMCD) and turned the meeting over to Ms. Jones, Director of Compliance and Policy, for the presentation.

Ms. Jones stated that the presentation on the LMCD is the annual report on the status of the portfolio. She noted that each member has a copy of the full report and so the presentation would not focus on any one borrower but rather on the aggregate results of the portfolio review.

Ms. Jones began the presentation with a review of the portfolio analysis by program and the new-to-VRA borrowers, highlighting the relatively higher concentration of weak borrowers in the Drinking Water State Revolving Fund as expected since the program has historically served disadvantaged communities. She referenced VRA's Tableau dashboard, which visually

displays the high concentration of Drinking Water borrowers in southwest Virginia. Committee Chair Tedesco inquired about the meaning of weak borrowers, to which Ms. Jones clarified that the LMCD's risk categories are determined by the Board adopted metrics.

Ms. Jones stated that the current metrics do not give the credit enhancement associated with state aid intercept which would make the results stronger. She added that during a past metric revision process, efforts were focused on identifying "weak" borrowers and that it was known that the "adequate" category would become much smaller.

Ms. Jones concluded the analysis by borrower type and said the Database does not include the Agricultural Best Management Practices ("AgBMP") loan program, Tobacco Region Revitalization Commission's Community and Business Lending Program (CBL), Virginia Tobacco Region Revolving Fund, or Virginia Transportation Infrastructure Bank (VTIB) loans. Mr. Crumlish remarked that CBL and VTIB loans are not on VRA's books, the programs excluded from the Database have more unique loans compared to VRA's other programs, and that the goal of the Database is to provide a high-level risk assessment across VRA's entire portfolio. Ms. Jones added that borrower metrics in the excluded programs were often too dissimilar from borrower metrics in other programs. Board Chairman Harris stated that VRA should be most concerned with analyzing the loans for which VRA has a financial risk and said that if a program is on VRA's books then those underlying loans should be included in the report.

There was brief discussion about the VTIB program about which Mr. Branscome mentioned that the VTIB program was created as an avenue to help jump-start large transportation infrastructure projects. Ms. Jones said that bi-annual VTIB reporting as required by statute has a section on each borrower and is completed by Mr. Bergeron, Director of Financial Services and Investments. Mr. Bergeron added that there are only five outstanding loans in the VTIB program, and that the borrowers have been in compliance with the terms of their loan agreements.

Ms. Jones then described borrower concentration. She continued the presentation with an overview of VRA's loan payment defaults, mentioning New River Water Company's default in Fiscal Year 2021 for new Board members' awareness. Mr. Crumlish mentioned that, in the case of the Town of Nickelsville's loan default several years ago, Scott County Public Service Authority took over the system and assumed the loan. There was brief discussion about private water systems and the New River Water Company's default.

Committee Chair Tedesco asked if there were any thoughts on the presentation. Mr. Branscome said that he does not have an issue with VRA lending to the "weak" borrowers because the counties that need funding the most are probably weaker and there may be no

Minutes of the VRA Board Compliance Committee Meeting
March 10, 2025

funding alternative. Ms. Jones added that VRA has been clear that just because a borrower is in the weak category does not prevent lending. She said that VRA structures loans accordingly.

Board Chairman Harris asked about borrowers with increased risk year-over-year. Ms. Jones replied that she would return to the Board meeting the following day with the information.

Old Business

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

New Business

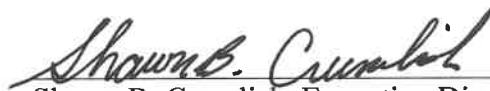
Committee Chair Tedesco asked if there was any new business to come before the Committee. There was none.

Public Comment

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

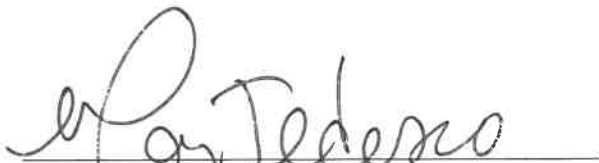
Adjournment

Committee Chair Tedesco adjourned the meeting at 2:31 p.m.



Shawn B. Crumlish, Executive Director
Board Secretary

APPROVED:


Maria Tedesco, Committee Chair

**Virginia Resources Authority
Personnel Committee Meeting
Minutes of the Regular Meeting
Held March 11, 2025**

The Personnel Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Tuesday, March 11, 2025, 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: Dr. Charlette Woolridge, Committee Chair; Mr. Dan Featherly; and Mr. Cecil "Rhu" Harris, Jr., Board Chairman. Ms. Barbara Donnellan was absent. Other non-Committee Board of Directors members arrived early for the Board of Directors meeting and observed a portion of the meeting.

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

Call to Order

Committee Chair Woolridge called the meeting to order at 8:30 a.m.

Approval of Agenda

Committee Chair Woolridge asked for a motion to approve the agenda. Mr. Featherly made a motion, seconded by Board Chairman Harris, to approve the agenda as presented. The motion carried.

Compensation Study Update

Committee Chair Woolridge said the Committee would receive a presentation on the compensation study. She called on the Executive Director for background and introductions of the consultants. Mr. Crumlish called on Mr. Zakhar "Zak" Shtulberg, accompanied by Ms. Jaime Parker, from consulting group Arthur J. Gallagher to give a presentation on the compensation study results.

Mr. Shtulberg said the VRA compensation study was a "clean study" which he explained meant that it was easy to compare the data. He described the Gallagher company and approach. Mr. Shtulberg said that the consultants recommend increasing the range structure by 2.5%. If VRA increases each position's range by 2.5%, he said VRA should align any positions that are misgraded and the cost analysis of doing so is less than \$10,000. Mr. Shtulberg recommended

Minutes of the VRA Board Personnel Committee Meeting
March 11, 2025

VRA review compensation positioning every two years. He said they also recommended adding a top range.

Mr. Featherly confirmed that the compensation study was simply on salary and not inclusive of benefits to which Mr. Shtulberg affirmed. Committee Chair Woolridge asked if the VRA benefits were the state benefits, to which Mr. Crumlish replied that VRA employees are in the Virginia Retirement System and that VRA health benefits are more similar to the local governments employee health plans.

Mr. Shtulberg reviewed the comparison groups that the consultants used in the study, saying that most of the data is from the Richmond area. He added that they included for-profit and not-for-profit salaries in the review because he said VRA operates in a hybrid space. Board Chairman Harris asked if the consultants used actual salary data and not medians for a position to which Mr. Shtulberg confirmed.

Board Chairman Harris asked how the consultants accounted for time in a particular position and if the study compared 10 years of service at VRA to 10 years of service at a comparison organization. Mr. Shtulberg says the study did not account for time in a position. Mr. Crumlish said that VRA looks to hire between the minimum and mid-point of the salary range, but as an employee reaches significant years of service that the salary approaches the maximum. Mr. Crumlish added that the consultants performed the study within the scope of the project. Dr. Woolridge added to the conversation that she did not think the study takes into account people who have tenure with the organization.

Performance Review Plan (in Advance of June)

Committee Chair Woolridge said the next Committee meeting topic was to discuss obtaining Board feedback for the Executive Director's annual review. The Committee Chair called on the Executive Director for background to which he reminded the Committee that last year there was a 360° feedback survey completed. Dr. Woolridge said this year the plan is to send feedback questions to the Board members and the Board Chairman can reach out to the Secretary for feedback as well. The Committee Chair asked staff to read a draft of developed questions. Ms. Jones, Director of Compliance and Policy, shared a series of quantitative and qualitative questions. Dr. Woolridge approved the feedback questions.

Old Business

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

Minutes of the VRA Board Personnel Committee Meeting

March 11, 2025

New Business


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

Public Comment

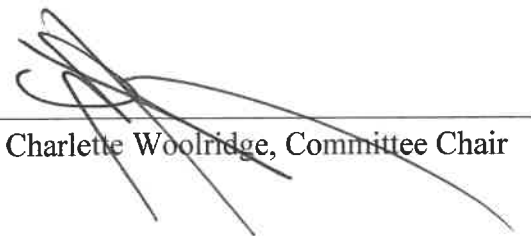
Committee Chair Woolridge asked if there were any comments from the public. There were none.

Adjournment

Board Chairman Harris made a motion, seconded by Mr. Featherly, to adjourn the meeting. The motion carried and Committee Chair Woolridge adjourned the meeting at 8:56 a.m.


Shawn B. Crumlish, Executive Director
Board Secretary

APPROVED:


Dr. Charlette Woolridge, Committee Chair

VIRGINIA RESOURCES AUTHORITY
RESOLUTION AUTHORIZING GRANTS AND LOANS
PURSUANT TO
THE RESILIENT VIRGINIA REVOLVING FUND ACT

March 11, 2025

WHEREAS, the Virginia Resources Authority (the “Authority”) is authorized under the provisions of the Resilient Virginia Revolving Fund Act (the “Act”) to administer and manage the Resilient Virginia Revolving Fund (the “Fund”) to make grants (“Grants”) and loans (“Loans”) to local governments (the “Local Governments”) to finance and/or refinance the cost of any project that may be authorized from time to time in the Act; and

WHEREAS, the Department of Conservation and Recreation, an agency of the Commonwealth of Virginia (the “Department”), is authorized under the Act to direct the Local Governments to which Grants or Loans are to be made, the purposes of each such Grant or Loan, the amount of each such Grant or Loan, and the interest rate and the repayment terms with respect to any Loan, such information and terms for each Grant or Loan to be designated by the Department in writing to the Authority, following consultation with the Authority; and

WHEREAS, the Act provides that the Authority, except as set forth above, shall determine the terms and conditions of each Grant or Loan from the Fund; and

WHEREAS, the Directors of the Authority desire to authorize the Executive Director and other officers of the Authority to act in such matters and to execute and deliver financing agreements, funding agreements and other appropriate documents in connection with such Grants and Loans within the parameters herein set forth.

NOW, THEREFORE, BE IT RESOLVED by the Directors of the Authority acting under the Act as follows:

1. At such time as the Department may from time to time designate in writing to the Authority a Local Government to which a Grant or Loan is to be made, the purpose of the Grant or Loan, the amount of the Grant or Loan, and the interest rate and the repayment terms with respect to any Loan, the Executive Director, Chairman of the Authority or Vice Chairman of the Authority, any of whom may act, is authorized to implement such Grant or Loan on behalf of the Authority, as Administrator of the Fund. Any Grant shall be made pursuant to the terms of a model Funding Agreement and any Loan shall be made pursuant to the terms of a model Financing Agreement, each between the Authority, as Administrator of the Fund, and the Local Government, similar to forms previously presented to the Directors of the Authority in connection with other state revolving funds administered by the Authority, with such additions, changes, insertions and omissions as the Executive Director, Chairman of the Authority or Vice Chairman of the Authority, any of whom may act, with the advice of counsel, may deem appropriate in the circumstances of the Grant or Loan being made, and shall otherwise be made subject to and in accordance with the terms and conditions of the Act.

2. Each of the Executive Director, Chairman of the Authority and Vice Chairman of the Authority is authorized to execute and deliver on behalf of the Authority 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 Grant or Loan transactions contemplated by this Resolution or the Act, including, but not limited to, the administration and enforcement of any financing agreement or funding agreement, and all of the foregoing, previously done or performed by any such officer, are in all respects approved, ratified and confirmed.

3. The authorizations granted in this 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.

4. This Resolution shall take effect immediately.