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Unprecedented \$244 Million Invested in Chesapeake Bay Clean-Up ~ Governor Kaine enthusiastically supports Virginia Resources Authority bond offering ~

RICHMOND -- The Virginia Resources Authority has issued \$244,155,000 in Clean Water State Revolving Fund Revenue Bonds. This represents the largest bond offering in VRA history. Ten water quality improvement projects in nine Virginia localities will be impacted.

"This bond issue will support another set of important projects in the Virginia Resources Authority's long history of successful clean-water initiatives," said Governor Timothy M. Kaine. "This funding will not only allow us meet our water quality goals, but it will allow these towns, counties, and cities to better support their economic development initiatives."

Virginia Resources Authority partners with the Department of Environmental Quality to provide below-market rate loans for eligible local government projects. The Series 2007 bonds will finance 10 projects in nine localities across Virginia. These bonds will support improvements to wastewater treatment plants and associated infrastructure owned and operated by Arlington County, the Augusta County Service Authority, the Frederick-Winchester Service Authority, the Harrisonburg-Rockingham Regional Sewer Authority, the Town of Purcellville, the Prince William County Service Authority, the City of Newport News, the City of Richmond, and the City of Staunton. The majority of the projects will provide system upgrades to reduce nutrient pollution being discharged into tributaries that feed the Chesapeake Bay. Ultimately, this will have a positive impact on marine life and the overall health of the Chesapeake Bay.

The VRA bond issue complements Governor Kaine's proposal, approved by the General Assembly in the 2007 Session, for \$250 million in grant funds to improve the nutrient reduction capabilities of 89 publicly owned wastewater treatment plants. The Commonwealth supports local wastewater treatment plant upgrades with a mix of grants and below-market loans based on specific project and community needs. VRA administers the below-market loan program in partnership with DEQ.

Virginia, along with Maryland, Pennsylvania, the District of Columbia, and the U.S. Environmental Protection Agency, are all signatories to the Chesapeake 2000 Agreement, which calls for each state to reduce by 40% the level of nutrients going into the Chesapeake Bay. The deadline is 2010.

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“Improving the health of our rivers and Chesapeake Bay is a primary goal of the Kaine Administration,” said Virginia Secretary of Natural Resources L. Preston Bryant, Jr. “This VRA bond initiative – and the plant upgrades resulting from it – will propel us further toward our water quality improvement goals set forth in the Chesapeake 2000 Agreement.”

William G. O’Brien, Chairman of the Virginia Resources Authority Board of Directors, said, “As a former County Administrator, I know how important these projects are to Virginia communities and VRA’s low-interest loans are vital to keeping local user rates and taxes as low as possible for our citizens.” Money for the localities became available to them as of May 3, 2007. Each locality will close its individual loan as its respective project is ready.

Sheryl Bailey is Executive Director of the Virginia Resources Authority. As a young girl, she learned to swim in the Chesapeake Bay and those memories are an incentive in her work today, working diligently to ensure the Bay stays a viable resource for generations to come. Proud of the potential impact of the clean water revenue bonds, Bailey says, “This is a milestone in VRA history. Our commitment to help save the Chesapeake Bay is first and foremost in our efforts.”

VRA is also a sound financial investment. The Clean Water Bonds maintain a Moody’s Aaa bond rating, a Standard and Poor’s AAA rating, and a Fitch AAA rating. Says Moody’s, “Credit strengths include VRA’s strong program management and oversight of this program, as well as other revolving loan programs, including sound underwriting standards, ongoing surveillance of program borrowers and sound credit quality of loan portfolio.”

For more information on the Virginia Resources Authority, visit their website at www.virginiaresources.org.

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About the Virginia Resources Authority:

VRA provides cost-effective financial solutions to local governments and other public bodies for projects that improve the quality of life of Virginians. Created by the General Assembly in 1984, VRA is a self-financed state authority that supports community investments in the areas of environmental quality and water supply, public safety, transportation, airports, wireless broadband deployment, federal facilities development, brownfields remediation, flood prevention and protection, dam safety, and land conservation and preservation.

Since its inception, VRA has funded more than 700 critical projects across the Commonwealth representing more than \$2.6 billion of investment in Virginia’s communities. VRA’s cost-effective and custom-tailored financing solutions are often what make local and regional projects possible. These financing solutions draw on VRA’s unique ability to provide revolving fund loans to localities at below-market interest rates and to issue bonds backed by the moral obligation of the Commonwealth. The VRA staff offers extensive experience and expertise in a variety of financing techniques and the staff provides ongoing assistance and oversight to localities and their public projects.

This ability to maximize value for local communities with cost-effective and innovative financing options has made VRA the choice provider of infrastructure financing for Virginia communities.