

**Montgomery County Green Bank  
Board of Directors Meeting  
By Teleconference  
Thursday, November 4, 2021, at 8:00 AM**

**Board of Directors Meeting Minutes**

**1. Call to Order and Roll Call**

**Bob Sahadi, Board Vice Chair of the Montgomery County Green Bank (“Green Bank”) Board of Directors (“BOD” or “Board”), called the Board meeting to order at 8:05 am. The meeting was conducted by teleconference in consideration of the COVID-19 pandemic.**

Roll call confirmed the attendance of the following:

- Mr. Bert Hunter (Board Secretary), Executive Vice President and Chief Investment Officer, Connecticut Green Bank
- Mr. Kyle Danish, Partner, Van Ness Feldman
- Mr. Robert Sahadi (Board Vice-Chair), Managing Principal, GreenSpace Investment
- Ms. Marissa Ramirez, Senior Community Climate Strategy Manager, National Resources Defense Council
- Mr. Brian Marconi, Partner, Cohn Reznick LLP
- Mr. Michael Coveyou, Director of Finance, Department of Finance, Montgomery County

**A quorum was present.**

Not Present:

- Ms. Stacy Swann, CEO and Founding Partner, Climate Finance Advisors, Benefit LLC (informed prior to meeting that would be at COP26)
- Ms. Marcene Mitchell (Board Vice-Chair) Senior Vice President, Climate Change, World Wildlife Fund (informed prior to meeting that would be at COP26)
- Ms. Bonnie Norman (Board Chair), President, E3 International, LLC (informed prior to meeting that would be at COP26)
- Mr. Zachary Marks, Director of Development, Housing Opportunities Commission
- Mr. Adam Ortiz, Director, Department of Environmental Protection (DEP), Montgomery County

Other meeting attendees included:

- Mr. Thomas Deyo, CEO, Montgomery County Green Bank
- Mr. Stephen Morel, Chief Investment Officer, Montgomery County Green Bank

- Ms. Cindy McCabe, Montgomery County Green Bank
- Mr. Rokas Beresniovos, Montgomery County Green Bank
- Ms. Tyniah McDuffie, Montgomery County Green Bank
- Ms. Jean Moyer, Montgomery County Green Bank
- Mr. Joshua Myers, Montgomery County Green Bank
- Mr. Mark Edwards, BDO USA, LLP
- Ms. Zeynep Orhan, BDO USA, LLP
- Mr. Tony Allen, BDO USA, LLP

## **2. Public Introductions and Comment**

Mr. Sahadi began the meeting by asking if any members of the public were present. No one from the public had joined. The meeting moved on to the approval of the agenda.

## **3. Approval of the Agenda**

Mr. Sahadi asked if anyone had any additional adjustments to the agenda. None were voiced. Mr. Hunter moved to adopt the agenda. Ms. Ramirez seconded the motion. The agenda for the meeting was approved by all.

## **4. Approval of the Minutes**

Mr. Hunter asked for a motion to approve the minutes from September 29, 2021, Board of Directors meeting.

### **R1: Approval of Minutes for the September 29, 2021, BOD Meeting**

A MOTION TO APPROVE the minutes of the Board of Directors Meeting for September 29, 2021.

Mr. Sahadi moved the motion; Ms. Ramirez seconded the motion.

No revisions were requested.

A voice vote was taken on the motion and the motion passed unanimously.

All in Favor: 5

All Opposed: 0

Abstained: 1 (Mr. Marconi – not at September 29, 2021 meeting)

## **5. General Business**

### **a. Finance and Operations**

Mr. Sahadi then moved the meeting into General Business, handing the meeting over to Mr. Marconi who introduced the session to review the FY21 draft audit and 990. Mr. Marconi informed the Board that the auditors had previously presented the draft FY21 audit and 990

to the Finance Committees at its meeting the on October 26, 2021 and the Committee approved bringing the audit and 990 to the Board.

Mr. Marconi introduced the auditor, BDO, and presentation of the audit to Mr. Edward of BDO. Mr. Edward provided brief remarks concerning the Green Bank's FY21 financial statements and Form 990 then asked Ms. Orhan to review the Green Bank's FY21 audit with the Board.

Ms. Orhan provided the Board with the status of the audit. BDO reviewed, and concurs with, management's treatment of the financial records, estimates, disclosures, and reserve calculations. BDO has substantially completed their audit for the fiscal year ending on June 30, 2021. The audit obtained reasonable assurance about the financial statements from the Green Bank. An unmodified opinion is expected to be given when the full report is released in November 2021.

Ms. Orhan walked through the statements and notes of the audit, including the note related to the release of County restricted net assets. Ms. Orhan commented that Mr. Deyo took a conservative approach in obtaining confirmation from the County for the release of those funds related to the low- and moderate-income and multifamily restriction. A Board member asked about presentation not showing a separation of Current Assets from other assets. The auditor noted that it was determined that such a presentation was not necessary this year as the non-current assets were not material with only one small asset not in Current Assets but noted that in next year's audit such a presentation may be more appropriate.

Mr. Allen then provided a review of the FY21 990. Mr. Allen stated this year's 990 is consistent with last year's 990.

Mr. Sahadi then presented the motion to move the meeting into closed session.

## **R.2. Closing Statement**

This closing statement was prepared by CEO, Tom Deyo, and I, Bob Sahadi, Vice Chairperson of the Board of Directors, attest to its compliance with the Maryland Open Meetings Act. Per §3-305(d) of the Maryland Open Meetings Act, I move to convene a closed session.

In this closed session, the Board will discuss the Fiscal Year 21 audit and FY21 990 with MCGB's auditor, per the "other law" exception §3-305(b)(13). The reason for closing the meeting is to discuss confidential financial information pertaining to preparation of the audit.

Mr. Sahadi moved the motion; Mr. Hunter seconded.

A voice vote was taken.

All in Favor: 6

All Opposed: 0

Abstained: 0

The meeting then moved into closed session at 8:40 AM with the Board members and the BDO auditor team.

The Board came out of closed session at 8:59 AM

Mr. Marconi stated that there was nothing to raise from the Board based on the discussion in the closed session.

Mr. Sahadi then presented the resolution for adoption of the FY21 Audit.

**R3. Adoption of the FY21 Audit for Montgomery County Green Bank**

A MOTION TO APPROVE the Audited Financial Statements for Fiscal Year 2021 of the Montgomery County Green Bank as submitted to the Board by BDO on November 4, 2021. The Board also recognizes the FY21 Form 990 as presented.

Mr. Hunter moved the motion; Mr. Marconi seconded.

A roll call vote was taken.

All in Favor: 6

All Opposed: 0

Abstained: 0

**b. Investments**

Mr. Morel then presented on the extension of CLEER Loss Reserve Agreement through February 2024 with Sandy Spring Bank. Mr. Morel stated that when discussing the renewal of the agreement with the Sandy Spring Bank, the Sandy Spring Bank wished to clarify that it had interest only in projects generating a loan of \$100,000 or higher only. Sandy Spring also wanted to review the prohibition of Sandy Spring Bank having its own closing fees. Mr. Morel noted that the renewal agreement offered both these edits. A Board Member asked if Sandy Spring Bank was interested in anything under \$100,000 and Mr. Morel noted they may choose on some situations to do so. The renewal agreement language would be edited to allow for this situation.

Mr. Sahadi then presented a Motion to approve the Extension of CLEER Loss Reserve Agreement with Sandy Spring Bank.

**R4. Approval of Extension of CLEER Loss Reserve Agreement with Sandy Spring Bank**

A MOTION TO APPROVE the extension and amended terms of the Commercial Loan for Energy Efficiency and Renewables (CLEER) Agreement (the "Agreement") between Sandy Spring Bank (formerly Revere Bank) and the Montgomery County Green Bank until February 22, 2024. The Board further delegates to the Montgomery County Green Bank

Investment Committee any future extensions or non-material changes to the Agreement, excluding any increase of Montgomery County Green Bank capital committed under the Agreement.

The motion was moved by Mr. Danish and seconded by Ms. Ramirez.

After the motion was read, a Board member proposed a change to the language to edit the motion to include language regarding the insert of language around the material being “substantially in the form presented to the MCGB Board of Directors during its meeting held on November 4, 2024” as the edits to the agreement as discussed would need to be amended to the agreement.

Mr. Sahadi asked for a vote for the requested changes.

A voice vote was taken.

All in Favor: 6

All Opposed: 0

Abstained: 0

Mr. Sahadi then introduced the revised language for the resolution.

**R4 Revised. Approval of Extension of CLEER Loss Reserve Agreement with Sandy Spring Bank**

A MOTION TO APPROVE the extension and amended terms of the Commercial Loan for Energy Efficiency and Renewables (CLEER) Agreement (the “Agreement”) between Sandy Spring Bank (formerly Revere Bank) and the Montgomery County Green Bank until February 22, 2024, substantially in the form presented to the MCGB Board of Directors during its meeting held on November 4, 2021. The Board further delegates to the Montgomery County Green Bank Investment Committee any future extensions or non-material changes to the Agreement, excluding any increase of Montgomery County Green Bank capital committed under the Agreement.

A roll call vote was taken.

All in Favor: 6

All Opposed: 0

Abstained: 0

Mr. Morel then presented on a pre-payment structure for Clean Energy Advantage with Clean Energy Credit Union for select contractors. The proposal would allow the Green Bank to enter into credit facility structures with select single-family home solar contractors that would allow the Green Bank to make payment to contractors at a certain achieved milestone of completion and prior to the time that the Clean Energy Credit Union makes payment and then the Green Bank would receive payment directly from the Credit Union

when it closes the loan. Mr. Morel noted that the Green Bank will not be looking at disbursement to contractors under credit facilities until construction is completed. This change can improve the program and make it more attractive for contractors and allow consumers to reach the benefits of the transparent financing offered under the CEA program.

A Board member asked for clarifications on obstacles being addressed with this approach and that the approval of \$500,000 was for all credit facilities to be offered under this approach. Mr. Morel responded on the approach was to address ease of use and payment timing and that the \$500,000 was the cap on the total amount offered in aggregate across all credit facilities.

A Board member in the Investment Committee stated that the presentation covered the items raised in the Investment Committee meeting and that the Investment Committee was interested in seeing how this resulted in impact of the product.

Mr. Sahadi then presented a Motion to approve the Credit Facility for Select Partners under the Clean Energy Advantage Program for Solar Installations.

Mr. Hunter moved the motion; Ms. Ramirez seconded.

**R5. Approval of Transaction / Investment No. 10 of a Credit Facility for Select Partners under the Clean Energy Advantage Program for Solar Installations**

A MOTION TO APPROVE Transaction / Investment Number 10 for the Montgomery County Green Bank, as presented to the Board on November 4, 2021, for the proposed transaction that would allow MCGB to create and enter into specific credit facilities for select solar installers to work alongside Clean Energy Credit Union approved loans and offer payments to solar installers ahead of Permission To Operate and where such facility would be repaid by assignment of homeowner loan proceeds. The Board delegates to the Investment Committee approval of the final parameters of each credit facility provided that the total under this program does not exceed \$500,000.

After the resolution was read, Mr. Hunter proposed a change to the resolution requesting a language change after the date to add the word “substantially in the form as” to reflect the discussion of the Board meeting and suggested that this be added to all future resolutions.

Mr. Sahadi asked for a vote for the requested changes.

A voice vote was taken.

All in Favor: 6

All Opposed: 0

Abstained: 0

Mr. Sahadi then introduced the revised language for the resolution.

**R5 Revised. Approval of Transaction / Investment No. 10 of a Credit Facility for Select Partners under the Clean Energy Advantage Program for Solar Installations**

A MOTION TO APPROVE Transaction / Investment Number 10 for the Montgomery County Green Bank, substantially in the form as presented to the Board on November 4, 2021, for the proposed transaction that would allow MCGB to create and enter into specific credit facilities for select solar installers to work alongside Clean Energy Credit Union approved loans and offer payments to solar installers ahead of Permission To Operate and where such facility would be repaid by assignment of homeowner loan proceeds. The Board delegates to the Investment Committee approval of the final parameters of each credit facility provided that the total under this program does not exceed \$500,000.

A roll call vote was taken.

All in Favor: 6  
All Opposed: 0  
Abstained: 0

Mr. Sahadi requested a motion to adjourn the meeting.

Mr. Hunter moved the motion; Mr. Danish seconded.

A voice vote was taken.

All in Favor: 6  
All Opposed: 0  
Abstained: 0

The meeting ended at 9:44 AM