

**Montgomery County Green Bank
Board of Directors Meeting
By Teleconference
Friday, September 30, 2022, at 9:00 AM**

Board of Directors Meeting Minutes

1. Call to Order and Roll Call

Bonnie Norman, Board Chair of the Montgomery County Green Bank (“Green Bank”) Board of Directors (“BOD” or “Board”), called the Board meeting to order at 9:02 AM.

Roll call confirmed the attendance of the following:

- Ms. Bonnie Norman (Board Chair), President, E3 International, LLC
- Mr. Kyle Danish, Partner, Van Ness Feldman
- Mr. Robert Sahadi (Board Vice-Chair), Managing Principal, Greenspace Investment
- Ms. Marissa Ramirez, Director, Community Strategies, National Resources Defense Council
- Ms. Adriana Hochberg, Climate Change Officer, Montgomery County, Acting Director, DEP
- Ms. Stacy Swann, CEO and Founding Partner, Climate Finance Advisors, Benefit LLC (joined at 9:15 am)
- Mr. Bert Hunter (Board Secretary), Executive Vice President and Chief Investment Officer, Connecticut Green Bank
- Mr. Zachary Marks, Director of Development, Housing Opportunities Commission

A quorum was present. Meeting started at 9:02am.

Not Present:

- Mr. Brian Marconi, Partner, Cohn Reznick LLP
- Ms. Marcene Mitchell (Board Vice-Chair) Senior Vice President, Climate Change, World Wildlife Fund
- Mr. Michael Coveyou, Director of Finance, Department of Finance, 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
- Ms. Lucy Chihandae, Montgomery County Green Bank
- Ms. Brianna Bolen, Montgomery County Green Bank
- Ms. Myra Cobb-Davis, Montgomery County Green Bank
- Mr. Stan Edwards, Special Advisor to Montgomery County Green Bank, Montgomery County Department of Environmental Protection
- Ms. Nancy Feldman, Montgomery County, Department of Fiscal Management
- Ms. Stephanie Riddick, Community Advocate (Member of the Public)

2. Public Introductions and Comment

Ms. Norman began the meeting by asking if any members of the public were present. No one from the public had joined at that time. The meeting moved on to the approval of the agenda.

3. Approval of the Agenda

Ms. Norman made note that Mr. Hunter would approve the minutes for the meeting as Board Secretary and not herself. She asked if anyone had any additional adjustments to the agenda. None were voiced.

Mr. Danish moved a motion to approve the agenda; Mr. Hunter seconded.

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

4. Approval of the Meeting Minutes

Mr. Hunter asked for a motion to approve the minutes from June 22, 2022, Board of Directors meeting.

R1: Approval of Minutes for the June 22, 2022, BOD Meeting

A MOTION TO APPROVE the minutes of the Board of Directors Meeting for June 22, 2022.

Mr. Danish moved the motion; Ms. Hochberg seconded.

No comments were made.

A voice vote was taken on the motion, and the motion passed with Mr. Marks and Mr. Hunter abstaining from the vote.

All in Favor: 5

All Opposed: 0

Abstained: 2 (Mr. Marks and Mr. Hunter were absent from the meeting)

Ms. Norman asked for a motion to approve the minutes from August 25, 2022, Board of Directors special meeting.

R2: Approval of Minutes for the August 25, 2022, BOD Special Meeting

A MOTION TO APPROVE the minutes of the Board of Directors Special Meeting for August 25, 2022.

Ms. Norman moved the motion; Mr. Danish seconded.

Mr. Hunter commented that the BOD meeting was not mentioned as ‘Special’ in the opening paragraph. Ms. Ramirez noted her title was not updated in the Special Board Meeting minutes but was in the June 22 minutes.

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

All in Favor: 4

All Opposed: 0

Abstained: 3 (Mr. Marks, Mr. Sahadi and Ms. Hochberg were absent from the meeting.)

5. Administrative Business

Ms. Norman moved the meeting into Administrative Business. Ms. Norman thanked the staff of the Green Bank for the resounding success of the Green Bank celebratory event on September 8th, 2022, and noted representation from the Board leadership, Partners, County and Council.

Ms. Norman asked Mr. Deyo to provide a Chief Executive Officer update to the Board.

Mr. Deyo presented a number of highlights of activities by the Green Bank since the last regular meeting of the Board (June 22, 2022). Mr. Deyo began by noting that the Green Bank had created a ladder of positions and titles, so staff understood they have the ability to grow at the Green Bank based on their performance and there were recent promotions as follows;

- Jean Moyer was promoted to Director of Business Operations.
- Tyniah Mcduffie was promoted Senior Manager of Communications and Community engagement.
- Cindy McCabe was promoted to Associate Director of Renewable Energy Programs.
- Josh Myer was promoted to Production Specialist.

Mr. Deyo also went on to note that new team members had been added (were to be added) to the Green Bank in support of the energy tax and these were:

- Ms. Chihandae as Administrative Specialist
- Ms. Cobb-Davis as Senior Manager for Portfolio Administration
- Ms. Bolen as Communications Specialist

Mr. Deyo also mentioned that two more new staff were starting on October 3, 2022

- Ms. Mariann Zylstra as Director of Underwriting.
- Mr. Scott Dicke, who was a consultant to the Green Bank, as Associate Director, Commercial and Industrial

Mr. Deyo continued saying that a strong prospect candidate has been identified as well for the position of Associate Director for Renewable Energy Programs to assist Ms. McCabe as she prepares to take parental leave later in the year.

Lastly, Mr. Deyo presented a draft promotional video that highlighted the September 8th event for the Board. He thanked the team for presenting a successful event that was appreciated by the partners and all involved.

Mr. Deyo then asked Mr. Morel to make a presentation for the Chief Investment Officer Report.

Mr. Morel followed with an update on the achievements in the first quarter of the fiscal year which he said saw a lot of deals being closed resulting in great highlights. He noted 30 different events hosted in the first quarter that reached a huge market of participants and the formal launch of the EV-CIP Program which was very receptive in the market.

He noted that the River Road CSPPA transaction would close the week of September 30th 2022. Also, the Berman Academy SBESS transaction would close in 1 to 2 weeks. Mr. Morel said he would do a full production report in the Product and Development section.

Ms. Norman called for the DEP Report from Mr. Edwards

Mr. Edwards presented the updates on the Dashboard for FY23 with these highlights.

- Bill 13-22 the comprehensive building decarbonization bill is scheduled for Oct. 17th. It would require the county executive to issue an electric building code standard for new construction and major renovations in the county by Jan 1, 2024.
- Benchmarking notices went out to 900 buildings that will be covered by the County benchmarking laws in the county including commercial buildings that cover 25,000-50,000 sq ft and multifamily buildings 250,000 sq ft.
- Meeting of the Building Performance approval Board on Oct 13th.
- They will be advertising two new positions in the team one involved in multifamily properties and one working on outreach events focused on electrifying everything.
- They will also create incentives in the community encouraging residents to go electric.

The meeting then moved onto general business.

6. General Business

Investment Transactions

Mr. Morel presented to the Board three investments for consideration and approvals. He mentioned that the first, The Seneca Village Solar Project, would be revisited later as it had not yet been approved by the Investment Committee. Mr. Morel presented a new solar facility with the Green Bank's Skyview partner that is 1.5-million-dollar credit facility with Skyview Potomac. Mr. Morel concluded with a description of a Community Solar project at the Central Baptist Church of Rockville, also under Skyview Potomac.

Mr. Morel concluded that these last two investments were being brought to the Board for consideration and that he would present more details in closed session.

Ms. Norman then moved a motion for Resolution 3. Ms. Norman read the proposed motion.

R.3: Adoption of a Closing Statement to proceed into a Closed Session

This closing statement was prepared by CEO, Tom Deyo, and I, Bonnie Norman, 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 of Directors will discuss certain matters related to the investment of public funds of the Montgomery County Green Bank, per the "investment of public funds" exception §3- 305(b)(5).

Ms. Norman moved the motion; Ms. Swann seconded. No additional comments or discussion were had.

A roll call vote was taken, and the motion passed unanimously.

All in Favor: 8

All Opposed: 0

Abstained: 0

The meeting moved to closed session at 9.28am.

Ms. Norman called for a motion to move out of closed session.

Ms. Swann moved the motion; Ms. Hochberg seconded.

All in favor: 8

All opposed: 0

Abstained: 0

The Board came out of the closed meeting session at 10.00am and proceeded with Approval Resolutions.

R.4: Approval of MCGB Transaction/Investment No. 17: Community Solar Credit Facility with Skyview Potomac

A MOTION TO APPROVE a \$1.5 million community solar credit facility with Skyview Potomac that a) is substantially in accordance with the terms presented at the Board of Directors meeting on September 30, 2022; b) delegates approval decisions for underlying transactions that deploy up to \$150,000 of Green Bank capital to Green Bank Management and those that deploy over \$150,000 or deviate from the Facility parameters to the Investment Committee, unless the Investment Committee determines a project requires Board approval; c) delegates to Board Leadership approval of legal documents associated with the Facility if such legal documents are amended to those presented in the Board materials; and d) authorizes Tom Deyo, CEO, to execute on behalf of the Green Bank the legal agreements associated with the Facility.

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

Ms. Norman asked whether individual votes were preferred to a voice vote. Ms. Swann made a note to ascertain the Board members understood that they were voting and approving for each of the four bullets. Ms. Norman asked if there were any additional comments or discussion were had.

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

All in Favor: 8

All Opposed: 0

Abstained: 0

R.5: Approval of MCGB Transaction/Investment No. 18: Community Solar at Central Baptist Church of Rockville

A MOTION TO APPROVE the deployment of up to \$251,000 of Green Bank capital from the \$1.5 million community solar credit facility with Skyview Potomac into a ten-year loan that a) is substantially in accordance with the terms presented at the Board of Directors meeting on September 30, 2022 and b) authorizes Green Bank Management to close and fund the loan if final terms are as presented in the Board materials, or if there are any deviations in the terms or amounts that such are approved by the Investment Committee.

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

A roll call vote was taken, and the motion passed unanimously.

All in Favor: 8

All Opposed: 0

Abstained: 0

A new member of the public, Stephanie Riddick, Community advocate joined the meeting at 10.03am.

Product Development

Ms. Norman then moved to the next item on the agenda. She mentioned that the Product Development Committee would now be named to Market Development with Mr. Hunter as Chair.

Mr. Morel took the opportunity to present the production report and the production goals so far in the timeline projection. He talked about the draft workplan goal and stated the numbers were bound to change but the draft reflected where we stood in our goals.

Mr. Morel also presented a summary of investment goals by stage as of Sept 22nd. Mr. Morel mentioned that the pipeline consisted of three stages 1 to 3. He mentioned there are projects already in due diligence, underwritten or approved and from that pipeline they would reach beyond the stretch goal based on the draft goals mentioned in the first slide. Mr. Morel expressed optimism stating they would achieve their set goals by the end of the year, considering their progress so far since the first quarter when approvals and stages were being set.

Mr. Sahadi stepped out of the meeting at 10.07 am and returned at 10.15am

Ms. Swann congratulated the team for work well done. She mentioned we had a lot more in the pipeline than goals and reiterated that the numbers in the pipeline would change by design going forward.

Mr. Deyo also pointed out that the assignment of capital and the various sub buckets and buckets of funding not shown here was worth noting as important tracking applied to each transaction.

Mr. Sahadi asked if we were marketing to the entire county without barriers? Mr. Deyo affirmed that it was so. He also mentioned that a certain amount from the PEPCO resources were required to go to the LMI and multifamily which therefore gave us the ability to receive more funding in that bucket.

There were no further comments.

Finance and Operations

Ms. Norman proceeded to the next item on the agenda and asked Mr. Deyo to present as Mr. Marconi was not present at the meeting.

Mr. Deyo presented, for finalization approval, the FY23 Workplan. Mr. Deyo gave an overview of the changes that were made to the preliminary workplan. He stated that goal A had \$15mil that was pulled back to \$13.5 mil in closed transactions, goal C was \$125mil moved back from \$155 Mil in closed transactions, and goal D which used to be \$50 mil and was pulled back to \$40 mil. All six add up to 50.1%

He concluded that all other parts of the work plan stayed constant.

Ms. Swann mentioned the Investment Committee spent a lot of time on the weighting of goals and noted it could change as we grow. Ms. Norman commented that it was a clear work plan and a good guiding post going forward.

Ms. Norman read the proposed resolution.

R.6: Adoption of Montgomery County Green Bank Final FY 23 Work Plan

A MOTION TO ADOPT a Final Fiscal Year 2023 Work Plan for the Montgomery County Green Bank as presented at the September 30, 2022, Board meeting.

Mr. Hunter moved the motion; Ms. Ramirez seconded. No comments were made.

A roll call vote was taken, and the motion passed unanimously.

All in Favor: 7

All Opposed: 0

Abstained: 1 (Mr. Marks abstained due to his absence on it)

Operations Item: 401k reinstatement

Mr. Deyo presented the 401k plan restatement which he stated went through the Governance and Finance and Operations Committees. The 401k reinstatement coincided with the transition from Paychex to PB Mares with a transition date of July 31st. The plan for the most part remained the same and PB Mares advised on a few changes including the safe harbor portion of employees to be able to opt in or opt out of the 3% auto-enroll and also the inclusion of part-timers over 1000 hours in a year.

Ms. Norman read the resolution.

R.7: Approval of 401k Restatement

RESOLVED. that the form of amended 401 (k) Profit Sharing Plan effective July 1, 2022, presented to this September 30, 2022, meeting is hereby approved and adopted and that an

authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

Mr. Hunter moved the motion; Mr. Sahadi seconded. No comments were made.

A roll call vote was taken, and the motion passed unanimously.

All in Favor: 7

All Opposed: 0

Abstained: 1 (Mr. Marks abstained due to his absence.)

Ms. Norman stated that Mr. Danish was having connection problems and was dropping out of the meeting momentarily and would be rejoining. He read the resolution and voted 'Aye'.

FY 22 Audit Update

Mr. Deyo stated that we received the first draft of the audit report from the auditors, Novogradac, and it looked good. Mr. Deyo reviewed it with, CLA and Ms. Norman and noted one item they included which was the release of the \$2.1 million from the restricted funds under the LMI multifamily and the County was sent a memo, requesting concurrence with, and had accepted that release. Finance and Ops will be looking at that and we will be on schedule for the adoption of that in the next BOD meeting on Nov. 2nd.

Partnership and Funding

Ms. Norman introduced the next item of discussion and commented that there were important developments related to the Inflation Reduction Act and passed the meeting to Ms. Ramirez as Chair of the Committee. Mr. Ramirez asked Mr. Deyo to make the presentation update.

Mr. Deyo commented that we re-submitted our application to the USDA under the Rural Energy Savings Program after working it out with the Board Leadership, Finance and Ops, Partnership and Funding. Mr. Deyo mentioned that he and Mr. Morel had a follow up call on November 24th and 25th to take the project to the next step and hopefully it would close in the next 90 days after that.

On the Inflation Reduction Act, Mr. Deyo said he and Mr. Morel had been in participation in a series of working groups with CGC along with Mr. Hunter, engaging in these groups with two capital buckets; one (\$7 billion) goes to states and municipalities for low-income disadvantaged communities, and another \$20 billion bucket that is dedicated to the National Greenbank entities with two components \$12 billion general and \$8 billion targeting environmental equity justice LMI households.

Mr. Deyo continued stating that the CGC has convened the 'big tent' including all nonprofit intermediaries that get funding from the Treasury focusing on affordable housing community development and they see themselves as a potential party in down streaming these resources. Mr. Deyo said that since the Act was passed there have been many discussions on what the intermediaries look like. The EPA will receive the resource and then they will solicit parties to manage and take that resource and deploy it either directly or indirectly to entities like the

Green Bank. The organizing discussion has focused on how to create that entity(ies) that will trickle down the funds to Green Banks around the country. Mr. Deyo mentioned that there has also been discussion how the money would come down, from loan reserves, to equity, or direct investing.

Mr. Hunter said it was important to distinguish between the two buckets of funds and the profile of the companies that would be able to receive these funds. He also commented that the Green Bank had a big advantage of tapping into these funds from the Green Bank Consortium and the state and municipal portal. He said the expectation was for the EPA to disburse the funds in 2023 and that it would start the process of suballocation to various entities including the Green Bank.

Mr. Deyo concluded by asking if the Board had any questions or contribution to this discussion. Ms. Norman asked Ms. Ramirez to present the Environmental Justice aspect which she was working on.

Ms. Ramirez said that the CGC is working on an Environmental Justice strategy that would pertain to their role in applying for the funds. She explained that they want to focus their efforts on using the investments to further environmental justice and energy justice thus releasing clean energy to disadvantaged communities. Ms. Ramirez continued saying that it has led to discussions on what this means in relation to the key communities and redefining environmental justice and how they overlap with areas with energy insecurity, tracking the impact and KPI.

She concluded by saying that it is underway as they wait for applications to go through EPA, and that there is a restructuring of some functions of the EPA which include merging it with the civil rights office to elevate environmental justice. This would inform the strategy to implement the greenhouse gas fund as well as other grants in their docket.

Mr. Danish commented that the Green Bank was in a good position to tap into these funds and hoped the team was putting together a proposal for Investment Committee review.

Ms. Norman asked for clarification if the money went solely to companies with a national reach and Mr. Hunter confirmed that it was legally so and also stated that similar language applied to subgrantees like the Green Bank.

Mr. Sahadi asked who then would qualify to be the national entity to receive this funding? Ms. Ramirez mentioned that CGC came into existence 10 years ago purposely to be that entity. Mr. Hunter added that it was their guiding purpose to establish Green Banks across the county.

Mr. Deyo also went on to explain that there were two entities in existence CGC and CESA that was recently created vying for the national entity position. Ms. Swann explained that the CGC has a structure that works with having all banks under the same umbrella effectively.

Ms. Norman asked a follow-up question for clarity if in fact CGC were to be the entity would we be able to envision a flow down where the rubber could meet the road to the various Green Banks around the country? Mr. Deyo confirmed that it would function whereby the national applicant would receive the money and then they would have two paths forward; direct investor or indirect investment.

Communications

Mr. Deyo then moved to the next item and acknowledged Ms. McDuffie and Ms. Bolen for putting together a video for social media on climate action. He also commented on the social media report that reflected increases in traffic and impressions, and metrics on our social media pages.

Ms. Norman congratulated the communications team for a great job.

Governance

Mr. Deyo mentioned that there were changes proposed to the Employee Handbook regarding sick, unpaid, and parental leave toward ensuring we were similar with County requirements.

Mr. Deyo noted that parental leave section contained more inclusive language to include both maternity and paternity leave. He continued on sick leave, explaining that for parental leave staff will be allowed unlimited use of accrued sick leave and that, for other medical leave needs, staff could request a waiver to allow them to also use accrued sick leave hours.

Mr. Deyo continued saying that if staff requested leave without pay, we previously had no policy and looked to the County for guidance. The Green Bank proposes allowing staff on parental un-paid leave up to 2 months of having the company cover the health insurance premiums.

Mr. Deyo then presented policy changes to provide a phone expense reimbursement to support remote work. He proposed that, after observation from peer organizations, a phone reimbursement policy be created to provide staff \$50 a month and it will become an annual decision for the board to re-approve that.

Mr. Deyo concluded his presentation with a proposal for the Green Bank to offer a Flexible Spending Account for Dependent Care, per federal regulations. He explained that the company would not offer a contribution.

Mr. Deyo requested a resolution to adopt these changes.

Ms. Norman read the resolution

R.8: Adoption of Revised Employee Handbook Changes

A MOTION TO ADOPT the revisions to the Montgomery County Green Bank Employee Handbook as presented at the September 30, 2022 Board meeting, including sick leave and unpaid leave policies, employee phones, and FSA plans:

Ms. Norman seeks a motion to approve

Ms. Hochberg moved the motion; Ms. Swann seconded.

No other comments were made.

A roll call vote was taken, and the motion passed unanimously.

All in Favor: 8

All Opposed: 0

Abstained: 0

Board Term and Commitment approvals

Mr. Deyo presented the proposed new term plan for the Board members, mentioning that the bylaws passed last June had changed the ability for board members to join, that were serving partial terms, to not to have the partial term count towards their full year. These changes are now the current bylaws after they passed through the County without objections. As a result, Ms. Ramirez and Ms. Mitchell's first terms have been turned into partial terms and it pushes their first full year terms starting July 2021 with reelection in FY2025 (for Ms. Ramirez) and Ms. Mitchell's auto election will be set for FY2024 having started in July 2020.

Mr. Danish commented that the change to the bylaws will apply to anyone who comes on to perform a partial term. Mr. Deyo asked if there were comments and questions. None were mentioned.

Mr. Danish made comments on the Investment Committee charter that prohibited people who serve on the Investment Committee from also serving on the Finance and Operations and Production Development Committees. Mr. Danish expressed that he felt that an absolute prohibition was too strong, and they should instead adopt a softer one allowing members to be in any additional committees as long as they guarded from having their decisions made in one committee to sway their decisions in another committee.

Mr. Deyo therefore called upon the board to approve this best practice. Ms. Swann added that she was in full support of these changes she believed it would be helpful to have more members in the different committees.

Ms. Norman asked about the name change from Product Development and Market Development, saying that this would it be a good opportunity to do so. Mr. Danish agreed to this change and said it would be discussed in the next Governance Committee meeting.

Ms. Norman stated that with that change Ms. Ramirez should be approved as new Board Chair of the Market Development Committee. Mr. Deyo said the committee needed to settle on the name going forward. Ms. Norman agreed to that and that they should inform the board once a name was decided upon.

Ms. Norman read the resolution.

R.9. Approval of Revised Board Terms, Board Committee Members and Chair of Committees

A MOTION TO ADOPT a) the revised Board term election plans for Marcene Mitchell and Marissa Ramirez as presented at the September 30, 2022, Board meeting and in accordance with the revised Bylaws submitted to County after Board approval at the June 2022 Board and b) the revised slate of Board members and Chairs for Green Bank Committees as presented at the September 30, 2022, Board.

Ms. Norman sought a motion to approve

Mr. Danish moved the motion; Ms. Hochberg seconded.

No comments were made

A roll call vote was taken, and the motion passed unanimously.

All in Favor: 8

All Opposed: 0

Abstained: 0

Ms. Norman called the motion for the closed session

R.10. Closing Statement

This closing statement was prepared by CEO, Tom Deyo, and I, Bonnie Norman, 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 staffing of the Montgomery County Green Bank, per the “personnel matters” exception §3-305(b)(1). The reason for closing the meeting is to discuss compensation and benefits for positions, and the process for determining the same.

Ms. Norman sought a motion to approve the closed session

Ms. Norman approved the motion; Ms. Swann seconded

A roll call vote was taken, and the motion passed unanimously.

All in Favor: 8

All Opposed: 0

Abstained: 0

Ms. Norman thanked the Green Bank for the work they do, and the meeting went into closed session.

Closed Session

A Resolution to approve compensation for Mr. Deyo and Mr. Morel.

Mr. Hunter Approved the motion; Ms. Swann Seconded

A roll call vote was taken, and the motion passed unanimously.

All in Favor: 8

All Opposed: 0

Abstained: 0

7. Adjournment

Ms. Norman requested a motion to adjourn the meeting.

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

A voice vote was held, and the motion passed unanimously.

All in Favor: 8

All Opposed: 0

Abstained: 0

The meeting ended at 11:32 AM.