

**Montgomery County Green Bank  
Board of Directors Meeting  
By Teleconference  
Wednesday, November 16, 2022, at 1:30PM**

**DRAFT**

**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 1:31 PM. The meeting was conducted by teleconference.**

Roll call confirmed the attendance of the following:

- Ms. Bonnie Norman (Board Chair), President, E3 International, LLC
- Ms. Marcene Mitchell (Board Vice-Chair) Senior Vice President, Climate Change, World Wildlife Fund.
- Mr. Robert Sahadi (Board Vice-Chair), Managing Principal, Greenspace Investment
- Mr. Bert Hunter (Board Secretary), Executive Vice President and Chief Investment Officer, Connecticut Green Bank (*joined at 3pm*)
- Mr. Brian Marconi, Partner, Cohn Reznick LLP
- Mr. Kyle Danish, Partner, Van Ness Feldman
- Mr. Michael Coveyou, Director of Finance, Department of Finance, Montgomery County
- Ms. Stacy Swann, CEO and Founding Partner, Climate Finance Advisors, Benefit LLC
- Ms. Adriana Hochberg, Climate Change Officer, Montgomery County and Acting Director, Department of Environmental Protection.
- Mr. Zachary Marks, Director of Development, Housing Opportunities Commission (*joined at 2:18*)

**A quorum was present**

Not Present

- Ms. Marissa Ramirez, Director, Community Strategies, National Resources Defense Council (*in transit*)

Other meeting attendees included:

- Mr. Stan Edwards, Special Advisor to Montgomery County Green Bank, Montgomery County Department of Environmental Protection
- 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 Beresniovass, Montgomery County Green Bank
- Ms. Tyniah McDuffie, Montgomery County Green Bank
- Mr. Scott Dicke, Montgomery County Green Bank
- Ms. Mariann Zylstra, Montgomery County Green Bank
- Ms. Brianna Bolen, Montgomery County Green Bank
- Ms. Myra Cobb- Davis, 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
- Mr. Jordan Taylor, Montgomery County Green Bank
- Ms. Mary Casciotti, Montgomery County Department of Finance
- Ms. Nancy Feldman, Montgomery County, Department of Fiscal Management

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

Ms. Norman noted that there were no members of the public in attendance. The meeting moved on to the approval of the agenda.

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

Ms. Norman requested a motion to approve the agenda as presented in the final Board book. She asked members of the Board to be flexible with minor changes of the times for agenda items to accommodate members of the Board who are unable to make it at the established times.

Mr. Danish made a motion to approve the agenda; Ms. Swann seconded.

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

Ms. Norman moved to the approval of meeting minutes with a quorum present.

#### **4. Approval of meeting minutes**

##### **R1: Approval of Minutes for the September 30, 2022, BOD Meeting**

A MOTION TO APPROVE the minutes of the Board of Directors Meeting for September 30, 2022.

Ms. Hochberg moved the motion; Mr. Sahadi seconded. There were no corrections offered.

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

All in Favor: 5

All Opposed: 0

Abstained: 3 (Mr. Coveyou, Ms. Mitchell, and Mr. Marconi as not in attendance at the meeting)

##### **R2: Approval of Minutes for the November 2, 2022, BOD Meeting**

A MOTION TO APPROVE the minutes of the Board of Directors Meeting for November 2, 2022.

Mr. Sahadi moved the motion; Mr. Marconi seconded. There were no corrections offered.

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

All in Favor: 8

All Opposed: 0

Abstained: 0

## **5. Administrative Business**

Ms. Norman moved the meeting to Administrative Business and asked Mr. Deyo to provide his report.

Mr. Deyo started with an introduction of the thirteen member staff of the Montgomery County Green Bank; a size that the Green Bank reached with its recent hires in October 2022. Mr. Deyo followed with a showing of a new two-minute video of partner remarks on their partnership with the Green Bank as these partners offered during the September 8, 2022 partner appreciation event.

Mr. Deyo presented a brief report on the reports that the organization has completed and submitted, including the County Contract annual report which was submitted to the County on October 29, 2022. Mr. Deyo also noted the submission on November 8, 2022 of the annual report to the County Executive and County Council per the requirements of the Green Bank's Charter, and the submission of the GM Grant mid-year report in October 2022.

Mr. Deyo summarized other key actions in last two months and concluded his report by stating the Green Bank had so far in FY23 held 43 events with over 850 attendees and how we are becoming a place to discuss topical issues, like the Inflation Reduction Act.

Ms. Norman next invited Mr. Morel to provide his report.

Mr. Morel reviewed the many efforts undertaken on market outreach and transaction approvals in the last two months. Mr. Morel commended the efforts of the Business Development, Marketing and Communications, and Business Operations team members in working to achieve the successes in this second Quarter.

Ms. Norman next invited Mr. Edwards to provide his report from the Department of Environmental Protection.

Mr. Edwards mentioned that Bill 13-22 which proposed an all-electric building code for new buildings is expected to go to Full Council for approval on November 29, 2022.

Ms. Norman noted that Ms. Ramirez, Ms. Swann, and Ms. Mitchell were in attendance at the COP27. Ms. Mitchell offered a summary of the COP27

meeting and its relevancy to the Montgomery County Green Bank, and that a major focus of COP27 was on moving from targets to implementing action and allocating funds towards climate change. Ms. Swann added that the COP27 summit was pushing towards leveraging private capital which resonates with the Green Bank agenda.

## **6. General Business**

Ms. Norman then turned the meeting over to Mr. Sahadi and Mr. Morel to give updates on Product Development.

### **Product Development**

Mr. Morel asked Mr. Deyo to give an update on procurement activities for a proposed Green Technical Assistance (TA) program for commercial and industrial properties.

Mr. Deyo noted the efforts of Mr. Morel and Mr. Dicke to structure the TA program and the issuance of Request For Quotations (RFQ) for contractors to participate in the TA program. Mr. Deyo noted that the TA program would be supported by funds from the Energy Tax using a portion of the 15% allocation of the Energy Tax directed to market assistance efforts. Mr. Deyo reviewed the TA program as a means to support the marketplace and technical assistance around energy performance assessments and develop property improvement game plans from the assessments, and that the TA program is based off of knowledge acquired through the Green Bank's pilot efforts of TA in affordable housing and C&I markets.

Mr. Deyo reviewed the procurement process for the full \$750,000 funding of the TA program whereby individual contractors would receive contracts limited to \$150,000 for each contractor and that most individual assignments to be under \$50,000. Contractors are not guaranteed the \$150,000 in contracts but this is a limit of TA program assignments to each contractor. The Green Bank will approve each assignment as presented and the overall aggregate of TA program assignments approved by the Green Bank for contractors will not exceed \$750,000.

The procurement process involved: issuing the RFQ; obtaining submissions from 13 contractors to participate in the TA program; staff review of the submissions and selection of qualified contractors; and presentation of the

submissions, TA program, and recommended contractors to the Product Development Committee on November 10, 2022 which Committee approved the procurement and contractor selections to be presented to the Board for final approval.

Mr. Deyo concluded with a request to the Board to a) approve the \$750,000 procurement which is the amount in the approved FY23 budget to be used in the TA program, b) approve the first initial eleven contractors for the program for individual assignments but that the contract be limited to an aggregate amount \$150,000, and c) provide two delegations to the Product Development Committee that i) it may approve an increase to an individual contractor's \$150,000 contract limit as long as there remained funding under the \$750,000 TA program limit; and ii) it may approve any additional contractors that may apply and be found eligible to participate since the TA program will remain open for other contractors to apply.

Mr. Danish sought clarification on the approval for additional contractors. Mr. Deyo explained there would be no approval of TA program assignments that would exceed the 750,000 budget and the additional contractors would simply add more contractors to offer the service in the event the initial set is not using the TA program.

Ms. Swann asked for more information about the governance of this process for the delegation. Mr. Deyo clarified that the process followed the procurement policy, and the delegation was for increasing individual contractor contract sizes, and for approving new contractors to the pool. The delegation was not about increasing the procurement above \$750,000. Ms. Swann then sought clarification on the ticket sizes of the individual TA assignments. Mr. Morel said that ticket sizes would be no more than \$100,000 per project depending on the size of work, but most below \$50,000. He added approvals will be case by case based and a contractor will be limited to a maximum of \$150,000 in aggregate assignments. Ms. Norman added that the delegations to the Product Development Committee were within the boundaries of the \$750,000 allocated funds.

Ms. Norman sought a motion to approve Resolution 3.

R.3: Approval of Procurement for Technical Assistance and Initial Contractor Providers

A MOTION TO APPROVE the Green Bank Commercial Building Technical Assistance Program (“TA Program”) substantially in the form as presented to the Board on November 16, 2022 for the following: a) an umbrella procurement of \$750,000 to secure multiple individual contractors to provide commercial building assessment technical assistance services to property owners under individual assignments to property owners; b) the initial contractor corps for the TA Program where the aggregate threshold for any individual service provider contract under this Program be initially set at \$150,000; and c) that the Product Development Committee (*newly named the Market Strategy and Innovation Committee later in this Board meeting*) be delegated authority to approve any exceedance of that individual contract threshold and to approve any new service providers added to the TA Program.

Mr. Sahadi moved the motion

Ms. Hochberg seconded the motion

Ms. Norman asked if there were any further discussions on this topic. Ms. Swann asked that the minutes reflect that a broader delegation policy question is presently being considered by the Governance Committee and that the approved delegation for this TA Program may be revised pending that policy.

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

All in Favor: 8

All Opposed: 0

Abstained: 1 (Mr. Marks was not present for the discussion)

Mr. Morel followed with updates and highlights of the Product Development Committee which included renaming the committee to Market Strategy and Innovation as its focus and goals have since shifted since the initial construct for the Committee. Mr. Morel continued with a presentation of the pipeline and an estimate of where the Green Bank is relative to the fiscal year goals.

### **Finance and Operations**

Ms. Norman then turned the meeting over to Mr. Marconi to give updates on Finance and Operations.

Mr. Marconi started by giving an update on the Board approval of the FY22 audit and FY22 990 and the subsequent submission of the FY22 990 to the IRS. Mr. Marconi then invited Mr. Deyo to give additional updates.

Mr. Deyo summarized the request to revise the Internal Control policy which was being largely updated for a change in roles of accountants and Ms. Moyer as the company is looking to move away from a check writing system to using billpay.com which provided a better control function for accounts.

There were no questions or additional remarks or discussions on the topic and

Ms. Norman then introduced Resolution 4.

#### R.4: Adoption of Revised Internal Control Policy

A MOTION TO ADOPT the revisions to the Montgomery County Green Bank Internal Control Policy as presented at the November 16, 2022, Board meeting.

Mr. Marconi moved the motion; Mr. Danish seconded. There were no further comments.

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

All in Favor: 9

All Opposed: 0

Abstained: 0

Ms. Norman noted that the Green Bank FY23 financials as of September 2022 were in the Board book if anyone had any questions. No questions were raised.

#### **Governance**

Ms. Norman then turned the meeting over to Mr. Danish to give updates on Governance.

Mr. Danish introduced the subject of changing the name for the Product Development committee. Mr. Morel commented that the suggested name of Market Strategy and Innovation change came about because of the shift of direction for the committee from products to market developments, and the Committee sought to change the name to reflect this. Ms. Norman noted that



the name being presented was agreed upon by staff and the Product Development Committee.

Ms. Norman then introduced Resolution 5.

R.5. Approval of Revised Name for Product Development Committee to Market Strategy and Innovation Committee

A MOTION TO ADOPT the name change for the Product Development Committee to the Market Strategy and Innovation Committee.

Mr. Sahadi moved the motion; Mr. Danish seconded it. Ms. Swann commented that the prior resolution would need to change its name from Product Development after this Resolution. There were no other comments.

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

All in Favor: 9

All Opposed: 0

Abstained: 0

Mr. Danish followed to inform the Board that the Governance Committee presently was working on a delegation policy structure that would help guide the delegation decisions in the future. Mr. Danish noted that the draft delegation policy would be presented to the Board at a future meeting for consideration of approval.

Mr. Danish next noted that the Board and Governance Committee would be losing two board members, Mr. Sahadi, and Ms. Swann, at the end of the current fiscal year. In this regard, Mr. Danish noted that a Recruitment Committee had been set up with members of the Governance Committee as that was in the Committee's charter.

Mr. Danish presented recruitment documents that outlined the recruitment schedule, public notice of the recruitment, application forms for applicants and a scoring rubric that would assist the Recruitment Committee in evaluating new Board members. The timeline is for the two new Board members to be approved and seated by July 1, 2023.

Ms. Norman then asked if any board member felt they were not able to complete their term of office for any reason at this point to let her and Mr. Danish know so the seat could be filled using this recruitment process.

### **Partnership and Funding**

Ms. Norman asked Mr. Deyo to give a brief update on capital activities.

Mr. Deyo gave a quick update on the fuel energy tax stating that then initial funding started to arrive in October for monthly remittances for the July and August period. The funds will continue to come on a monthly basis.

Mr. Deyo followed with an update on the USDA Rural Energy Savings Program which had been initiative in November 2020 with an application to USDA. Mr. Deyo noted that the Green Bank was revising its application to meet the new requirements of the USDA and that there is a good chance to obtain this funding in a short timetable. Mr. Sahadi asked if these funds were only available in some parts of the county or available countywide. Mr. Deyo responded that the funds were available throughout the county and explained the this is possible because the Green Bank submitted its application in November 2020 when the criteria allowed that if the entity qualified for USDA rural then the entire service area of the entity is available for the funding. Mr. Sahadi asked if the Green Bank would be able identify loans done in rural areas. Mr. Deyo noted the Green Bank could plot the funds to the USDA requirement, or a census track.

### **Investment**

Ms. Norman then moved the meeting to Investment and asked Ms. Swann to introduce the session.

Ms. Swann asked Mr. Morel to provide the updates for approvals needed. Mr. Morel presented two investments that were being presented to the board for approval.

Mr. Morel provided the information on the Seneca Village Solar Project, an \$11.5 million project to install reflective roofs and 2.1 MW of solar on an affordable multifamily rental property in Gaithersburg. Mr. Morel noted that the request for approval was for a \$5 million loan using all Green Bank capital. Mr. Morel stated that the Green Bank would pursue participations in the loan that could reduce the Green Bank exposure to \$3 million but that it was possible that the Green Bank would be the full \$5 million if the participations did not

happen. Mr. Morel highlighted the strategic considerations for this investment and its impact, including one of the largest solar rooftop solar arrays in the County, the ability to provide a loan on a property with a Fannie Mae first mortgage, the provision for some of the energy savings benefits to flow to the residents, and the potential for other CDFI or green bank participants.

Mr. Morel then summarized the Green Bank investment in the Olney Professional Building. The investment requires a Board approval for the use of \$1.3 million of Green Bank capital in the purchase of a participation in an overall \$2.61 million loan originated by Sandy Spring Bank. Mr. Morel noted that the participation follows the same structure as those previously done by the Green Bank with Sandy Spring Bank. The Board approval would include a delegation of final approval to the Investment Committee as the final loan package is still being delivered by Sandy Spring Bank, and Sandy Spring Bank has timing constraints to close on the project in the next week.

Ms. Norman asked if there were any questions about the two projects before the Board went into closed session to review confidential material on these two investments. No questions were asked.

Ms. Norman then called to move the motion to go into Closed Session.

R6: 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. Mitchell seconded. No comments were offered.

All in Favor: 9  
All Opposed: 0  
Abstained: 0

The meeting moved to closed session at 2:57 pm

Mr. Hunter joined the meeting at 3:00 pm

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

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

A voice vote was held and the motion passed unanimously.

All in favor: 10

All opposed: 0

Abstained: 0

The meeting moved out of closed session at 3.31pm

Ms. Norman introduced Resolution 7.

R.7: Approval of MCGB Transaction/Investment No. 19: Seneca Village Solar Project

A MOTION TO APPROVE deployment of up to \$5 million in Green Bank capital as a loan to support the construction and installation of the Seneca Village Solar Project that: a) is substantially in accordance with the terms presented at the Board of Directors meeting on November 16, 2022; b) delegates to Board Leadership for final approval of all loan documents and agreements; and c) authorizes Tom Deyo, CEO, to execute on behalf of the Green Bank all the necessary legal agreements associated with the transaction.

Ms. Hochberg moved the motion; Ms. Mitchell seconded. No comments were offered.

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

All in Favor: 10

All Opposed: 0

Abstained: 0

Ms. Norman introduced Resolution 8.

R.8: Approval of MCGB to sell Participations in Transaction/Investment No. 19: Seneca Village Solar Project

A MOTION TO APPROVE the MCGB investment team to sell participations in Transaction/Investment No. 19: Seneca Village Solar Project (the “Project”) to support the construction and installation of the Seneca Village Solar Project: a) up to \$2 million in outside participations into the Project, and b) which reduces MCGB capital deployed into the Project to no less than \$3 million; c) delegates to the Investment Committee review and clearance of all Participation terms, conditions and obligations of MCGB to the participants; and d) delegates to Board Leadership final approval of all participation agreements; and e) authorizes Tom Deyo, CEO to execute on behalf of the Green Bank all necessary legal agreements associated with the participation.

Ms. Mitchell moved the motion; Mr. Coveyou seconded. No comments were offered.

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

All in Favor: 10

All Opposed: 0

Abstained: 0

Ms. Norman introduced Resolution 9.

R.9: Approval of MCGB Transaction/Investment No. 20: Olney Professional Building

A MOTION TO APPROVE the deployment of up to \$1,300,000 of Green Bank capital into a loan participation with Sandy Spring Bank for the Olney Professional Building that a) is substantially in accordance with the terms presented at the Board of Directors meeting on November 16, 2022 and b) delegates to the Investment Committee of final approval for the terms and conditions and execution of the Green Bank investment, provided that the Investment Committee determines there are not material matters that require Board approval; c) delegates to Board Leadership for final approval of all loan documents and agreements and d) authorizes Tom Deyo, CEO, to execute on behalf of the Green Bank the legal agreements associated with the transaction.

Mr. Danish moved the motion; Mr. Hunter seconded. No comments were offered.

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

All in Favor: 10

All Opposed: 0

Abstained: 0

### **Partnership and Funding**

Ms. Norman then moved the meeting into Partnership and funding highlighting the discussion would center around the Inflation Reduction Act (IRA). Ms. Norman turned the discussion to Mr. Hunter and Mr. Deyo who have been involved directly with this IRA conversation.

Mr. Hunter spoke about the funding streams and functions for each within the Green House Reduction Fund. He mentioned that the purpose for this fund was to facilitate green house energy, energy justice and environmental justice. The funds are to help reduce the energy burden on the low-income families. He mentioned that there are two buckets: states would be favored in the larger \$7 billion bucket and non-profits, like the Green Bank, would be more likely in the \$11 billion and \$8 billion buckets.

Mr. Hunter explained the process that will involve qualifying different applicants to receive the funds and that the EPA was responsible with coming up with a process on the allocation of funds. The EPA has put out a Requested For Information (RFI) with a list of questions that is due December 5, 2022. Awards would be around February 23, 2022.

Mr. Hunter noted that the EPA has held public listening sessions for input on the funds and that Mr. Deyo and he had participated, and both made public remarks during the sessions.

Ms. Hochberg suggested that the Green Bank begin to have discussions with the County concerning the funding streams in the first bucket (\$7 billion) and what opportunities could be leveraged.

Mr. Hunter said the timing for the National applicant submissions would be in January sometime.

Ms. Norman asked for clarity if the county falls under municipality and Mr. Deyo confirmed so. She felt that it is something we can push forward so we can access this funding, nonetheless.

Mr. Deyo then briefly went through the timeline for the Greenhouse Gas Reduction Fund application process and explained the format for the RFI response due on December 5. Mr. Deyo explained that the RFI would be the information that they would use to develop their request for proposal which the national entities would apply into the EPA.

Mr. Sahadi asked if the Green Bank was considering putting in an RFI response by December 5. Mr. Deyo stated that was the intent and asked that if any Board members were interested in helping in review of such a response to let him know and a working session would be convened to review the material. The final would be circulated for full Board comment prior to submission.

Ms. Norman then asked for a summary of the communications update from Ms. McDuffie. Ms. McDuffie presented the highlights of the work of the communications team in setting up Green Bank branded signs at different properties and said they were working on new social media strategies, testimonial video and revamping the contractor newsletter. Ms. McDuffie also presented the new concept of a “Project highlight week” and said each month the Green Bank will have different Project interest topics that directly resonate with the Green Bank’s Mission Statement and audience.

### **Information Items/ Other announcements**

Ms. Norman made final announcements and mentioned the next Board meeting would be held on Wednesday January 25, 2023, at 1.30 pm.

### **Adjournment**

Ms. Norman sought a motion to adjourn the Board meeting.

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

A voice vote was held, and the motion passed unanimously

All in Favor: 10  
All Opposed: 0  
Abstained: 0

The meeting ended at 4.07pm