

**Montgomery County Green Bank
Board of Directors Meeting
By Teleconference
Wednesday, April 26, 2023, at 1:30 PM**

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 1:32 PM.

A roll call confirmed the attendance of the following:

- Ms. Bonnie Norman (Board Chair), President, E3 International, LLC
- 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.
- 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. (*joined at 1:35pm*)
- Ms. Marissa Ramirez, Director, Community Strategies, National Resources Defense Council.

Absent:

- Mr. Zachary Marks, Director of Development, Housing Opportunities Commission.
- Mr. Brian Marconi, Partner, Cohn Reznick LLP.
- Ms. Marcene Mitchell (Board Vice-Chair) Senior Vice President, Climate Change, World Wildlife Fund.

(Note: Ms. Adriana Hochberg, Climate Change Officer, Montgomery County and Acting Director, Department of Environmental Protection and *ex-officio member* left the County employment on April 20, 2023 and was no longer a member of the Board of Directors at this meeting.)

A quorum was present. The meeting started at 1:32 pm

Other meeting attendees included:

- Mr. Stan Edwards, Special Advisor to Montgomery County Green Bank, Montgomery County Department of Environmental Protection
- Ms. Mary Casciotti, Montgomery County Department of Finance
- Mr. Thomas Deyo, CEO, Montgomery County Green Bank
- Mr. Stephen Morel, Chief Investment Officer, Montgomery County Green Bank
- Mr. Rokas Beresniovos, 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

2. Public Introductions and Comment

There were no members of the public present.

3. Approval of the Agenda

Ms. Norman noted that meeting minutes for the January regular Board meeting and March and April Special Board meetings were inadvertently left off the Board meeting package and that the approval of these minutes would be moved to the next Board meeting as Board members did not have a chance to review them prior to this Board meeting. As such, Ms. Norman noted that she is revising the agenda to remove approval of the minutes. Ms. Norman asked if there were any other requests to amend the agenda. None were offered. Ms. Norman asked for a motion to approve the revised agenda that removed the approval of minutes from the original agenda.

Mr. Hunter moved the motion to approve the amended agenda; Mr. Sahadi seconded. No further discussion was had.

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

4. Approval of Meeting minutes

This item was removed from the approved agenda.

5. Administrative Business

Ms. Norman began by congratulating the Green Bank team for a well-executed event at the Seneca Village Apartment on April 19, 2023 to celebrate the launch of a 2.1 MW Solar PV project that the Green Bank made a \$5 million investment in partnership with two other

lending partners. Ms. Norman noted that the event included participation of Governor Moore, County Executive Elrich, Council President Glass, Sierra Club, property owner, solar installer, herself, CEO, and CIO and had several other Councilmembers, state delegates and senators and two Board members in attendance.

Ms. Norman then asked Mr. Deyo to give his CEO Report. Mr. Deyo noted that the Seneca Village event was pivotal for the Green Bank by highlighting the Green Bank's capabilities to serve in the market, foster new partnerships, and deliver to diverse communities. Mr. Deyo then summarized other key highlights over last four months including approval of the USDA Rural Energy Savings Program application and signing of a commitment letter to move the process to development of loan document, noting that required reports were delivered to the County related to the Quarterly Energy Tax and mid-year Pepco funding, and highlighting the 95 events that the Green Bank has participated to date in this fiscal year and over 2,900 attendees at such events.

Ms. Norman then asked Mr. Morel to give his CIO Report. Mr. Morel highlighted the activities of the Green Bank's recent quarterly transactions, deals and approvals. He added that the team tested the portfolio management discipline. Mr. Morel also reported that the Green Bank's portfolio performance remains strong, and payments were current. A Board member inquired about the level of the Pepco incentive bridged under the EV CIP program. Mr. Morel said Pepco and Maryland Energy Administration incentives were about 90% of the bridge loan.

Ms. Norman asked Mr. Edwards to give his County Report. Mr. Edwards highlighted some updates, including that Bill 3-23 passed unanimously by the County Council that amended the Green Bank charter legislation to include up to 15 board members for the Green Bank and added resiliency as an activity of the Green Bank. The Bill was enacted in March and goes into effect July 3, 2023. The Green Bank's FY24 appropriation in the FY24 County budget is scheduled to be considered in May. He stated that the Green Bank provided all necessary information for the budget staff report. Mr. Edwards noted that there was much discussion about the County's general fund budget this year but felt the Green Bank budget should not be controversial.

6. General Business

Governance

Ms. Norman let the board know that Ms. Hochberg has left the Board as she has left the County on April 20, 2023 and has been appointed to a policy position with EPA. Ms. Norman read the resolution recognizing Ms. Hochberg's service.

R4: Recognition of Adriana Hochberg's service to the Montgomery County Green Bank.

WHEREAS: Montgomery County enacted legislation in 2016 to designate the Montgomery County Green Bank as the first County-chartered green bank in the United States; and

WHEREAS Adriana Hochberg, Acting Director of the Montgomery County Department of Environmental Protection, has held the role of ex-officio member of the Montgomery County Green Bank Board of Directors since December 2021; and

WHEREAS the Board of Directors wishes to commend Adriana Hochberg for her thoughtful and constructive guidance in communicating and promoting the importance of the Green Bank to the County's Climate Action Plan, her enthusiastic support of the Green Bank at internal and external venues, and her initiative in incorporating the Green Bank in strategic discussions to address clean energy actions in the county;

NOW THEREFORE BE IT RESOLVED: The Board of Directors of the Montgomery County Green Bank hereby commends Adriana Hochberg for her dedication, commitment, and resolve to advance the importance, strength, and impact of the Green Bank to the county and its constituents in her tenure on the Board of Directors, and hereby extends its heartfelt appreciation for her exemplary service to the Green Bank and Montgomery County.

Mr. Hunter moved the motion and Ms. Ramirez seconded it. A voice vote was taken.

All in Favor: 7
All Opposed: 0
Abstained: 0

The motion passed.

Ms. Norman then introduced the following motion to move into closed session.

R5: 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 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 personnel matters including, but not limited to, hiring, compensation and benefits for positions, and the process for determining the same.

Mr. Hunter seconded the motion. There were no further comments offered by Board members. A voice vote was taken.

All in Favor: 7
All Opposed: 0
Abstained: 0

The motion passed.

The meeting moved into closed session at 1:56pm.

The meeting moved out of closed session at 2:20pm.

Ms. Norman announced that Mr. Deyo was stepping down from the CEO position of the Montgomery County Green Bank and that the Board had approved Mr. Morel as the new CEO.

Ms. Norman then asked for a motion to appoint Mr. Deyo to the Acting Chief Operating Officer position and recognize his resigning from the CEO role.

Mr. Hunter offered the following resolution. Mr. Hunter also noted that Mr. Deyo had offered his resignation by voice and asked that a written resignation be sent to the Board to follow the protocol.

R7: Creation of a Chief Operating Officer position and appointment of Tom Deyo.

WHEREAS, pursuant to Section 3.7 of the bylaws of the Montgomery County Green Bank Corporation the Board has the authority to appoint a "Chief Operating Officer" ("COO") and designate COO roles and functions for that person; WHEREAS, Thomas Deyo has tendered to the Board his resignation from the office of Chief Executive Officer effective as of May 1, 2023;

NOW THEREFORE, A MOTION TO APPROVE a) the creation of a new position, the Chief Operating Officer, that is bestowed with rights of Montgomery County Green Bank officers as set forth in the Montgomery County Green Bank Bylaws and as presented at the April 26, 2023 Board of Directors meeting; b) the Board's acceptance of the resignation of Thomas Deyo; and c) the appointment of Thomas Deyo as Acting Chief Operating Officer effective as of May 1, 2023.

Mr. Hunter made the motion and Mr. Danish seconded the motion. There were no further comments offered by Board members.

A roll call vote was taken:

All in Favor: 7

All Opposed: 0

Abstained: 0

Ms. Norman then noted that Mr. Morel's acceptance to the position of CEO by signing the offer letter and accepting the terms.

Ms. Norman offered the following resolution.

R8: Appointment of Stephen Morel as Chief Executive Officer of the Montgomery County Green Bank.

WHEREAS, pursuant to a resolution passed by the Board of Directors of the Montgomery County Green Bank (the "Board") on April 26, 2023, the Board approved the terms of

employment contained in an employment offer letter for Stephen Morel, candidate for the position of Chief Executive Officer of the Montgomery County Green Bank effective as of May 1, 2023;

WHEREAS the Board pursuant to said resolution authorized Bonnie Norman, Chairperson, to execute the employment offer letter on behalf of the Board of Directors and Ms. Norman executed said letter; and

WHEREAS Stephen Morel accepted said terms of employment and signified his acceptance of the terms of employment by executing said letter;

NOW THEREFORE A MOTION TO appoint Stephen Morel as Chief Executive Officer of the Montgomery County Green Bank effective as of May 1, 2023.

Mr. Hunter made the motion and Ms. Ramirez seconded the motion. There were no further comments offered by Board members.

A roll call vote was taken:

All in Favor: 7

All Opposed: 0

Abstained: 0

Mr. Morel made remarks upon his appointment as CEO as did other members of the Board.

Ms. Norman asked Mr. Hunter to introduce the Market Strategy and Innovation discussion.

Market Strategy and Innovation

Mr. Hunter asked Mr. Morel to present the update. Mr. Morel introduced an opportunity for the Green Bank to enter into a contract with the County through the Department of Environmental Protection (DEP) for up to \$500,000 for a Technical Assistance Program to support benchmarking and data validation of benchmarking activities. DEP approached the Green Bank given the Green Bank's already extensive role in supporting technical assistance via energy performance contractors for property owners in the county.

A Board member asked to clarify certain provisions made in the contract so that there is an understanding that the Green Bank is not precluded from making loans in the future on properties having the technical assistance. Mr. Morel agreed he would follow up with the county on the language and provisions in the Contract and also clarified the meaning of the provisions. Mr. Edwards added that DEP would also review it and clarify any clauses.

Ms. Norman then read the following resolution.

R9: Approval of a benchmarking and Building Energy Performance Standards (BEPS) technical assistance contract with Montgomery County.

A MOTION TO APPROVE the Montgomery County Green Bank a) to enter into an up to \$500,000 contract with Montgomery County to provide technical support for benchmarking and other scope related to Building Energy Performance Standards (BEPS) as substantially in the form as presented at the Board of Directors meeting on April 26, 2023; b) to authorize Board Leadership to provide the final approval of the contract; and c) to authorize any MCGB Officer to execute the contract on behalf of the Montgomery County Green Bank.

Mr. Danish moved the motion and was seconded by Ms. Ramirez. There were no further comments offered by Board members.

A voice vote was taken.

All in Favor: 7
All Opposed: 0
Abstained: 0

The motion passed unanimously.

Mr. Morel concluded his update by noting the Board package included a production pipeline report and asked the Board to take a look at it and ask questions if they had any. No questions were raised.

Ms. Norman asked Ms. Swann to introduce the Investment discussion.

Investment

Ms. Swann asked Mr. Morel to present the material for consideration by the Board from the Investment Committee. Mr. Morel presented an update on one item and a review of two action items seeking Board actions which had been reviewed by the Investment Committee and put forward for the Board's consideration of actions. As an update, Mr. Morel provided information on a draft amendment to the existing loan agreement between the Green Bank and Seneca Village. As to action items, Mr. Morel summarized an intercreditor agreement with IPC to be a third lender on the Seneca Village project and an investment in Waterford Condominium. Mr. Morel noted that in each instance the action being sought is to delegate the final approval of the transactions to the Investment Committee as these are time sensitive and mostly complete and that the Investment Committee may return them to the Board if they feel it is necessary.

A Board member stated he had questions about the transactions and requested that the meeting go into closed session to discuss confidential matters related to the transactions. Ms. Norman moved the motion to go into closed session.

R10: 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). The reason for closing the meeting is to discuss commercially sensitive diligence matters and specific terms and conditions related to investments of public funds.

Ms. Norman moved the motion and Mr. Hunter seconded the motion. There were no further comments offered by Board members.

A voice vote was taken.

All in Favor: 7
All Opposed: 0
Abstained: 0

The motion passed unanimously.

The Board then moved into closed session at 2:48pm

The Board then moved out of closed session at 3.15pm

Mr. Hunter read the following resolution for consideration.

R11: Approval of an Intercreditor Agreement with Inclusive Prosperity Capital.

A MOTION TO APPROVE the Montgomery County Green Bank a) to execute an intercreditor agreement with Inclusive Prosperity Capital (“IPC”) that governs the relationship between the Montgomery County Green Bank and IPC on respective loans to Orlo Gaithersburg Investors LLC on the Seneca Village transaction as presented at the April 26, 2023 Board of Directors meeting and designates final approval of the transaction documents to the Investment Committee provided that the Investment Committee approves final transaction documents by virtue of this delegation by the Board of Directors to make such decision and further provided that the Investment Committee does not identify material items that would require Board approval; and b) authorizes any MCGB Officer to execute any legal documentation in support thereof.

Mr. Hunter moved the motion and Mr. Danish seconded the motion. There were no further comments offered by Board members.

All in Favor: 6
All Opposed: 0
Abstained: 1 – Mr. Hunter abstained for his current role with IPC.

The motion passed unanimously.

Ms. Norman read the following resolution for consideration.

R12: Approval of MCGB Transaction/Product No. 23: MCGB capital investment in the Waterford Condo Energy Efficiency transaction.

A MOTION TO APPROVE the Montgomery County Green Bank (MCGB) a) to make an MCGB capital investment up to \$1.85 million for the purchase of a participation in a National Cooperative Bank loan to the Waterford Condominium as presented at the April 26, 2023 Board of Directors meeting and designates final approval of the transaction documents to the Investment Committee provided that the Investment Committee approves final transaction documents by virtue of this delegation by the Board of Directors to make such decision and further provided that the Investment Committee does not identify material items that would require Board approval; and b) authorizes any MCGB Officer to execute any legal documentation in support thereof.

Mr. Hunter moved the motion and Ms. Swann seconded the motion. There were no further comments offered by Board members.

All in Favor: 7
All Opposed: 0
Abstained: 0

The motion passed.

Ms. Norman asked Ms. Ramirez to introduce the Partnership and Funding discussion.

Partnership and Funding

Ms. Ramirez asked Mr. Deyo to provide an update. Mr. Deyo noted that the communications update would take place at the upcoming Partnership and Funding Committee meeting to save time for this Board meeting.

Mr. Deyo then gave quick updates on the capital including receipt of USDA approval for the Rural Energy Savings program in April to provide \$4.9 million with zero interest. He added that the Green Bank executed the commitment letter form with USDA and is awaiting the loan documents from the USDA. If the loan documents are acceptable, it is hoped to have this transaction closed by end of the fiscal year.

He closed by stating that guidelines issued by the EPA for the Greenhouse Reduction Fund were still a work in process and the Green Bank is participating in several working group with a prospective applicant, the Coalition for Green Capital.

Ms. Norman asked Mr. Morel to introduce the Finance and Operations discussion on the draft FY24 budget and workplan.

Finance and Operations

Mr. Morel introduced the key themes outlined for FY24. He focused on the vision he had for the Green Bank in FY24 which would see the company leading in the fields of climate resilience, environmental sustainability and clean energy. His vision also includes growing relationships with partners in the region, deepening our climate liquidity, and strengthening organizational management.

Mr. Morel then presented the FY24 work plan, designed to attain planned investment goals, implement an expansion of the MCGB team with four new positions and staff assignments to align with the sectors of focus. Mr. Morel then highlighted aspects of the FY24 proposed budget showing the fuel energy tax and a budget to accommodate the new proposed headcount. He encouraged input to the FY24 proposed budget that would be presented for approval at the June Board meeting. No comments were made during the meeting.

Mr. Deyo added that the FY23 financials as of February 2023 were included in the Board package and asked if anyone had questions on the FY23 financials. No Board members raised any comments.

Ms. Norman asked Mr. Danish to introduce the Governance discussion.

Governance

Mr. Danish provided a summary of the ongoing Board recruitment. He explained that the work group carried out interviews with 5 of the 12 candidates who had applied. Given Ms. Hochberg was leaving the Board, he asked if another Board member would serve on the recruitment work group and Ms. Ramirez volunteered. He added that considering the allowed number of Board members would increase to 15 members, he felt there was a good slate of candidates, and he was positive about the selection so far and hoped the board would be satisfied with the selection in the future.

In closing, Ms. Norman informed the Board that the next board meeting in June would be in person.

Ms. Norman asked for a motion to close the meeting. Mr. Danish moved the motion and Mr. Hunter seconded the motion. There were no further comments offered by Board members.

A voice vote was taken.

All in Favor: 7
All Opposed: 0
Abstained: 0

The motion passed unanimously.

The meeting ended at 3:58pm