

**Montgomery County Green Bank
Board of Directors Meeting
In- Person and Virtual
Wednesday, June 21, 2023, at 1:30 PM**

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 1:32 PM.

A roll call confirmed the attendance of the following:

- Ms. Bonnie Norman (Board Chair), President, E3 International, LLC
- Mr. Bert Hunter (Board Secretary), Executive Vice President and Chief Investment Officer, Connecticut Green Bank.
- Mr. Michael Coveyou, Director of Finance, Department of Finance, Montgomery County
- Ms. Marissa Ramirez, Director, Community Strategies, National Resources Defense Council.
- 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. *(joined at 1:38pm)*

Absent:

- Mr. Robert Sahadi (Board Vice-Chair), Managing Principal, Greenspace Investment
- Mr. Kyle Danish, Partner, Van Ness Feldman
- Ms. Stacy Swann, CEO and Founding Partner, Climate Finance Advisors, Benefit LLC.

A quorum was present. The meeting started at 1:35 pm

Other meeting attendees included:

- Ms. Lindsey Shaw, DEP , Special Advisor to Montgomery County Green Bank, Montgomery County Department of Environmental Protection
- Mr. Seth Agbedshie, DEP County Representative

- Ms. Mary Casciotti, Montgomery County Department of Finance
- Mr. Thomas Deyo, COO, Montgomery County Green Bank
- Mr. Stephen Morel, Chief Executive Officer, Montgomery County Green Bank
- Mr. Rokas Beresniovas, 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. Cindy McCabe, Montgomery County Green Bank

2. Public Introductions and Comment

There were no members of the public present.

3. Approval of the Agenda

Ms. Norman asked to move the motion to approve the agenda of the meeting. Mr. Hunter moved the motion and Ms. Mitchell seconded the motion.

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

4. Approval of Meeting minutes

Mr. Hunter then asked the board to vote on approval of four sets of board meetings; two special and two regular.

Mr. Hunter requested for the motions of approval for BOD meeting minutes for January 25th 2023

R1: Approval of the January 25, 2023 Board of Directors Meeting Minutes

A MOTION TO APPROVE the minutes of the Montgomery County Green Bank Board of Directors Meeting held on January 25, 2023.

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

All in Favor: 6

All Opposed: 0

Abstained: 1

Mr. Zachary Marks, who was absent from the meeting, abstained from the vote.

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

R2: Approval of the March 23, 2023 Board of Directors Special Meeting Minutes

A MOTION TO APPROVE the minutes of the Montgomery County Green Bank Board of Directors Special Meeting held on March 23, 2023.

Ms. Mitchell moved the motion; Ms. Norman seconded.

Mr. Hunter indicated that this was a special board meeting, and the minutes should reflect such.

All in Favor: 6

All Opposed: 0

Abstained: 1

Mr. Coveyou, who was absent from the special meeting, abstained from the vote.

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

R3: Approval of the April 6, 2023 Board of Directors Special Meeting Minutes

A MOTION TO APPROVE the minutes of the Montgomery County Green Bank Board of Directors Special Meeting held on April 6, 2023.

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

Mr. Hunter indicated that the same change as the prior special meeting minutes needed to be made.

All in Favor: 6

All Opposed: 0

Abstained: 1

Ms. Ramirez, who was absent from the special meeting, abstained from the vote.

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

R4: Approval of the April 26, 2023 Board of Directors Meeting Minutes

A MOTION TO APPROVE the minutes of the Montgomery County Green Bank Board of Directors Meeting held on April 26, 2023.

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

All in Favor: 4

All Opposed: 0

Abstained: 3

Ms. Mitchell, Mr. Marconi, and Mr. Marks, who were absent from the meeting, abstained from the vote.

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

5. Administrative Business

a) CEO Report

Mr. Morel thanked the group for attending the hybrid meeting and started with a summary of the CEO report which included the report on the energy tax allocation which he stated would be fully used this year. He further reviewed the results of the FY23 workplan, the proposed themes for the FY24 workplan, and the SWOT analysis of trends facing the Green Bank. Positive trends included strong staff and hiring, while negative trends included the economic conditions. He added that he is enthusiastic to have the Green Bank in such a scalable position at a time when once-in-a-generation legislation, the Inflation Reduction Act, is presenting strong opportunities for industry and for funding.

Mr. Hunter inquired about the breakdown of FY23 results. Mr. Morel reviewed the approach to calculating achievements under the plan, and then he closed the presentation by reviewing the appendices of the CEO Report which contained details of the summaries he provided.

b) DEP Report

Mr. Morel then requested Ms. Shaw from DEP to give an update. Ms. Shaw let the board know that a new DEP director, Mr. Jon Monger, was to be appointed and approved at council, his start date would be late July /early August. Mr. Monger is currently Assistant Deputy Administrator of the EPA. Ms. Shaw added that the climate change management officer position was still vacant.

Ms. Shaw indicated that the building energy benchmarking deadline passed on June 1st with many new buildings joining the benchmarking and 63% of buildings have reported. She stated this figure is low and could be due to the pending DEP regulations, as noted in Mr. Morel's CEO Report. A BEPS stakeholder report is expected to be issued on 21st December 2023.

Ms. Shaw added that 21st June was the encouraged date for the solar switch program, the new name for the County co-op, and that DEP was in the early stages of launching a residential electrification incentive pilot program in the summer.

Mr. Hunter asked if it is possible to use buydown funds for residential loans, which he added has had success in Connecticut. Mr. Morel indicated that the Green Bank has not done that previously but that it is a good idea. He further said that in FY24 the Green Bank will look at many new residential programs including with the developer, Posigen. Posigen would require a level of subsidy to make solar + storage offerings in the market, which comports with that use of subsidization funds.

6. General Business

Finance and Operations

Ms. Norman then asked Mr. Marconi to give a report from the Finance and Operations Committee. Mr. Marconi indicated that the Committee has reviewed the FY24 budget and that Mr. Morel would provide the presentation of it. Mr. Morel reviewed the presentation which included information on how the budget has changed since the Board last viewed it in April, how the work plan goals were setup and weighted, how the Energy Tax receipts are expected to remain equal to FY23, and how the budget plan lowered the number of new FTEs.

Mr. Morel added that there was an ongoing discussion of workplan objectives and weighting in the investment committee with respect to investment targets. Ms. Mitchell commented that the investment targets contained too many inputs and the Committee requested that Mr. Morel summarize and clarify the top line objectives. Mr. Marconi indicated an appreciation of the reduction in objectives in FY24 relative to FY23 and noted the reduction in complexity it will yield in calculating overall work plan achievement. There was consensus among the Board to consider further narrowing for FY25 and moving forward.

Ms. Norman indicated that the work plan resolution should add the words “subject to finalization and approval by Investment Committee of key metrics and related weighting.” She then sought motions to adopt the work plan and budget.

R5: Adoption of the FY24 Workplan

A MOTION TO ADOPT the Fiscal Year 2024 Workplan for the Montgomery County Green Bank as presented at the June 21, 2023 Board of Directors Meeting and subject to finalization and approval by the Investment Committee of key metrics and related weightings.

Mr. Hunter moved the motion including the wording from Ms. Norman; Mr. Marconi seconded it.

A roll call vote was taken.

Bonnie Norman - Aye
Marcene Mitchell – Aye
Bert hunter – Aye
Marissa Ramirez – Aye
Zachary Marks - Aye
Mike Coveyou – Aye
Brian Marconi – Aye

All in Favor: 7

All Opposed: 0

Abstained: 0

The motion passed unanimously.

Mr. Morel then presented additional information on the FY24 budget which he said is built around the needs to achieve the work plan metrics. He added that the greatest shifts in expenses

are due to proposed office expenses and additional FTEs. He further demonstrated a breakdown of expenses by source that they are expected to be attributed to, including a breakdown of the Energy Tax proceeds.

Ms. Norman then sought a motion to adopt the budget resolution.

R6: Adoption of the FY24 Operating Budget

A MOTION TO ADOPT a Fiscal Year 2024 Operating Budget for the Montgomery County Green Bank as presented at the June 21, 2023 Board of Directors Meeting.

Mr. Marconi moved the motion and Mr. Hunter seconded it.

A roll call vote was taken.

Bonnie Norman - Aye
Marcene Mitchell – Aye
Bert hunter – Aye
Marissa Ramirez – Aye
Zachary Marks - Aye
Mike Coveyou – Aye
Brian Marconi – Aye

All in Favor: 7

All Opposed: 0

Abstained: 0

The motion was passed unanimously.

Ms. Norman then moved to governance report indicating that the Committee leader, Mr. Danish, was not available.

Governance

Ms. Norman started off by giving a summary of the new BOD member selection process and her appreciation of the high calibre of candidates. In particular, she expressed an appreciation for the time that the selection committee under Governance plus Ms. Ramirez put into the process. She then turned to Mr. Morel for the agenda items.

Mr. Morel walked the Board through the material included in the Board Book which demonstrated the candidate files, selection criteria, and scoring of the selection committee. He explained that the members would be brought on starting in FY24, and that the resolution in front of the Board includes those members that required a new term to be voted on, namely Mr. Sahadi, Ms. Mitchell, and Ms. Swann.

Several Board members echoed Ms. Norman’s sentiment on the high calibre of candidates, and there were no questions about the candidates. Ms. Norman asked for a motion on the member election.

Ms. Mitchell inquired about voting procedure when she, or any other Board member, is the subject of the resolution. Mr. Hunter indicated that all Board members should provide a vote given that the resolutions are to approve the membership as a group.

R7. Election of Montgomery County Green Bank Directors

A MOTION TO APPROVE the election of the following Directors to three-year terms that run from FY24 through FY26 in accordance with the Bylaws of the Montgomery County Green Bank, as amended:

- Ms. Marcene Mitchell.
- Mr. Robert Sahadi.
- Ms. Stacy Swann.
- Ms. Julie Abrams.
- Ms. Hope Brown.
- Mr. William Bumpers.
- Ms. Andrea Longton.

Mr. Hunter moved the motion; Mr. Marconi seconded.
A roll call vote was taken.

Bonnie Norman - Aye
Marcene Mitchell – Aye
Bert hunter – Aye
Marissa Ramirez – Aye
Zachary Marks - Aye
Mike Coveyou – Aye
Brian Marconi – Aye

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

Mr. Morel then described that Mr. Sahadi volunteered to step down from Board Leadership to create room for new members. He indicated that the following resolution would make that change and add Mr. Danish and Ms. Ramirez as vice-chairs upon acceptance of Bylaw revisions. He noted that the County only recently accepted the last changes to the Bylaws and that the Green Bank should be selective about submitting additional changes at the right time. Ms. Norman indicated that there will be one officially named vice chair, Ms. Mitchell, in accordance with the Bylaws, but that Mr. Danish and Ms. Ramirez will sit on Board Leadership and receive the titles once a third vice-chair position is created in the Bylaws. She further voiced her gratitude to Mr. Sahadi for his role on the Board Leadership and indicated an appreciation that he will still be on the Board and active in the other committees.

R8: Election of Montgomery County Green Bank Board Leadership

A MOTION TO APPROVE (i) the early termination of Mr. Robert Sahadi’s role as Vice-Chair and his corresponding seat on the Board Leadership Committee; (ii) the election of Ms. Marissa Ramirez and Mr. Kyle Danish as Vice-Chairs effective upon such time that the Bylaws are amended and accepted by Montgomery County; and (iii) the election of Ms. Marissa Ramirez and Mr. Kyle Danish to the Board Leadership Committee for two-year terms that run from FY24 through FY25.

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

A roll call vote was taken.

Bonnie Norman - Aye
Marcene Mitchell – Aye
Bert hunter – Aye
Marissa Ramirez – Aye
Zachary Marks - Aye
Mike Coveyou – Aye
Brian Marconi – Aye

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

Mr. Morel then presented the intended schedule of Board Committee assignments. He noted that new members have been added to various committees based on conversations during the recruitment cycle, and that most members have been assigned to two committees, including a placeholder for the intended director of DEP.

R9. Election of Montgomery County Green Bank Board Committee Members

A motion to approve Board Committee membership as presented at the June 21, 2023, Board of Directors Meeting to be effective July 1, 2023 for a one-year term.

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

A roll call vote was taken.

Bonnie Norman - Aye
Marcene Mitchell – Aye
Bert hunter – Aye
Marissa Ramirez – Aye
Zachary Marks - Aye
Mike Coveyou – Aye
Brian Marconi – Aye

All in Favor: 7

All Opposed: 0
Abstained: 0

Ms. Norman moved to the next resolution and Mr. Morel gave a summary of the role of the Chief Credit Officer. He reviewed the position summary, which was provided in the Board Book, indicating that the role would manage credit, underwriting, and portfolio administration all in conjunction with the IC and full Board. He added it would be a board appointed position.

Ms. Norman sought a motion to approve the resolution.

R10: Creation of a Chief Credit Officer

A MOTION TO APPROVE, pursuant to Section 3.7 of the Montgomery County Green Bank Bylaws, the creation of a new Officer position, the Chief Credit Officer, that is bestowed with rights of Montgomery County Green Bank Officers as set forth in the Bylaws and as presented at the June 21, 2023 Board of Directors Meeting.

Mr. Hunter moved the motion and Mr. Marconi seconded it.

A roll call vote was taken.

Bonnie Norman - Aye
Marcene Mitchell – Aye
Bert hunter – Aye
Marissa Ramirez – Aye
Zachary Marks - Aye
Mike Coveyou – Aye
Brian Marconi – Aye

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

Market Strategy and Innovation

Mr. Hunter then introduced the Market Strategy and Innovation items and asked Mr. Morel to present them.

- Approval of Technical Assistance Procurement

Mr. Morel provided a summary of the request to increase umbrella procurement by \$750,000 to a not-to-exceed amount of \$1.5 million. He indicated that this request was precipitated by the execution of the new county contract that expanded TA services to include benchmarking and data verification. Such DEP vendors will be joining the Green Bank program, and certain existing TA vendors are delivering services at faster paces.

Ms. Norman asked for clarity on the metric target of \$1.5 million in the FY24 budget. Mr. Morel indicated that the amount is associated with the total procurement, and as such reflects the stretch desire to scale up to that level of activity.

Ms. Norman then sought a motion to approve resolution 11.

R11: Approval of a Technical Assistance Procurement

A MOTION TO APPROVE an increase of \$750,000 to the umbrella procurement for technical assistance services, originally approved at the November 16, 2022 Board of Directors Meeting, that enables the Green Bank to enter into individual technical assistance contracts that in aggregate and inclusive of this increase will not exceed \$1.5 million.

Mr. Hunter moved the motion and Ms. Ramirez seconded it.

A roll call vote was taken.

Bonnie Norman - Aye
Marcene Mitchell – Aye
Bert hunter – Aye
Marissa Ramirez – Aye
Zachary Marks - Aye
Mike Coveyou – Aye
Brian Marconi – Aye

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

- Resilience Strategy and Engagement Discussion

Mr. Morel then spoke about the Green Bank’s efforts to develop climate resilience solutions in line with recent authorities provided by the County Council. He went through the presentation provided in the Board Book that covered areas of interest in the Climate Action Plan, and an approach for conducting an investigative process through the course of FY24.

Mr. Morel asked Ms. Shaw to comment on the county’s timeline and approach to climate resilience in the coming year. She noted that the County was doing a lot of work in flood management, pending a briefing with the County Executive and a deep investigation of risks and potential actions with the County’s consultant.

Ms. Ramirez also provided comments on the Partnership and Funding Committee discussion and her availability to help the team develop concepts. She indicated that the team is considering several stakeholder workshops and resources to direct where the Green Bank wants to go

Mr. Hunter noted that the Green Bank and the Board members should closely follow where the County is going on these matters. He indicated that it should not be up to the Green Bank to

devise resilience strategies but to assist in consideration of options to assist. Mr. Morel responded that he saw sources of repayment for non-energy resilience activities to be a challenging topic and that linking with the County will also mean closely tracking the federal, state, and county funding sources available to assist in such activities. He further noted that a bill in front of the County Council in fact made it clear that Energy Tax proceeds could not go to non-energy resilience activities. Ms. Norman added that these activities are intended to expand our focus, not re-shift it.

Mr. Morel ended the conversation with his thanks for those who have volunteered to help and to note for others that requests and invitations will come out through the year for additional help. In particular, all should be aware of pending workshops that the Green Bank will seek to schedule in August or later.

Investment

Mr. Morel introduced the transaction concessionality framework, which is a framework that will be used for transaction approval and portfolio management. The framework is complementary to the other summary scores surrounding credit and impact.

Mr. Marconi, Mr. Hunter, and Ms. Mitchell noted their appreciation of the staff's work in developing the methodology, making it streamlined for better understanding, and for working it through the Committees.

Ms. Norman then sought a motion to approve the resolution.

R12: Approval of a Concessionality Methodology

A MOTION TO APPROVE a methodology for the calculation of transaction and portfolio concessionality as presented at the June 21, 2023 Montgomery County Green Bank Board of Directors Meeting.

Mr. Hunter moved the motion and Ms. Ramirez seconded it. 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.

Partnerships and Funding

Ms. Norman asked Ms. Ramirez to present about the Green Gas Reduction Fund. Ms. Ramirez indicated that she is tracking the efforts closely through NRDC and that the presentation in the Board Book lays out some of the different avenues and coalitions.

Mr. Morel reviewed the presentation that covered the framework for the GGRF, different competitions, and the competitive landscape as currently understood.

Mr. Hunter and Ms. Ramirez discussed the leverage opportunities and ways to look at community engagement through each set of funds. Though in competition with each other, Mr. Morel highlighted that the Green Bank's strategy should be to engage with multiple coalitions and focus on different pots of funds to achieve different targets. In particular, the CCIA may be limited to \$5 million but it could stand up an entire program which could be leveraged.

Ms. Norman asked if there are any exclusivity requirements on the application. Mr. Morel explained that he does not envision any of the coalitions requesting an entity such as the Green Bank to be a "subawardee" versus an "implementation partner" which holds less stringent requirements on being a direct applicant/

Information Items / Other Announcements

Ms. Norman asked when the next Board meeting would be. Mr. Morel indicated that none was scheduled but he was expecting it to be in mid-September. Ms. Norman asked that the full Board be polled on the date given that climate week falls on 17th to 24th September 2023.

Ms. Norman then turned to congratulate and acknowledge Mr. Deyo's service as CEO of Green Bank since 2017 and expressed her gratitude for his service.

Mr. Deyo made parting remarks which he indicated would be elaborated on at his farewell event. Ms. Norman then read the accompanying resolution.

R13: Recognition of Tom Deyo'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 Mr. Tom Deyo was appointed the inaugural Chief Executive Officer of the Green Bank in May 2017; and

WHEREAS: Mr. Deyo has tirelessly worked and advocated on behalf of Montgomery County's climate objectives to fulfill the mission of the Green Bank, including by growing the Green Bank from a staff of one to a staff of thirteen, all of whom exhibit a passion and tenacity matching Mr. Deyo's dedication to environmental advocacy and to the equity-focused purpose of the Green Bank; and

WHEREAS: Mr. Deyo has helped elevate the Green Bank to the stature of an important County institution that is recognized by peers locally, nationally, and internationally as an example of a leading institution that is making successful market interventions, catalyzing clean energy investment in alignment with its mission, and garnering the political and funding support that Green Banks deserve.

NOW THEREFORE BE IT RESOLVED: The Board of Directors of the Montgomery County Green Bank hereby commends Tom Deyo for his dedication, commitment, and resolve to advance the importance, strength, and impact of the Green Bank, and hereby extends its heartfelt appreciation for his exemplary service to the Green Bank and Montgomery County.

Mr. Hunter moved the motion and Mr. Marconi seconded it.

Mr. Hunter inquired to the use of the word elected versus appointed in the resolution. The board determined to maintain the word appointed in the resolution.

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

Ms. Norman asked for a motion to adjourn the meeting. Ms. Mitchell moved the motion and Mr. Coveyou 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 3:56pm