CLIMATE INNOVATION FINANCE AUTHORITY

Meeting Minutes: Minnesota Climate Innovation Finance Authority Board of Directors

Date: 6/17/2026
Minutes prepared by: Parisa Rostamkhani
Minutes approved on: 8/19/2026
Location: MPCA Office Conference Room #100 / Hybrid Meeting

Attendance:

- The meeting began at approximately 9:32 a.m.
  - Present: Haagenson, Kumar, Kohlasch, Nelmark, Perushek, Wyckoff, Fowler, Mills
    - Ryan Baumtrog proxy for Katherine Teiken
  - Absent: Benjamin, Sultanova, Warmuth, Teiken, Hughes

Approval of June 17, 2026, Agenda:

- Motion: Wyckoff, Second: Kumar
- Unanimous approval- roll call vote

Approval of April 15, 2026, Board Meeting Minutes:

- Motion: Haagenson, Second: Mills
- Unanimous approval - roll call vote

Communications & Government Affairs Update:

- Greater MN Activities:
  - Engagement leveraging regional partners
  - Crookston visits June 11:
    - Leveraging Fresh Energy, Clean Energy Resource Teams (CERTS) Clean Energy Economy MN (CEEM), and DEED connections
    - Empower Crookston, several local organizations with projects in the works
  - Fergus Falls visit June 12:
    - Otter Tail Power
    - West Central Initiative
  - Rochester Visit:
    - Plans in progress – proposed visits with City of Rochester, Rochester

            - Public Utilities, Destination Medical Center
            - June 24 – MnCIFA will have an exhibit booth at League of MN Cities annual conference in Rochester
- Past activities:
    - May 11 ground-breaking ceremony celebrating Enterprise Energy loan
        - Media coverage: Owatonna People's Press, KTTC-TV Rochester, WCCO-TV Twin Cities
        - Multiple events with MnCIFA presentations and participation
- Upcoming plans to celebrate closed loans
    - Neighborhood Development Center (NDC)
    - MN Marine Arts Museum
- July 26: League of MN Cities Conference
- Government Affairs:
    - 2026 legislature
        - Senate Energy Omnibus bill passed the Senate, had no actions in House.
            - MnCIFA's legislation was the vehicle (SF 4505) for the Senate Energy Omnibus
        - Legislature did approve some clean energy – related legislation:
            - Tax bill – Sustainable Aviation Fuels incentives
            - Renewable Development Account (RDA) funding for study on the future of nuclear energy generation in MN
            - Bonding bill
    - 2027 planning:
        - 2027 session planning – building on lessons learned
        - Transition to new administration – MN Management and Analysis (MAD) leading transition

Investment Team Update:

- MnCIFA closed on the Board-approved $5 million participation agreement to Minnwest Bank's loan to **Enterprise Energy** for the development of a 5.4MW community solar garden in Owatonna.
- On June 2, 2026, MnCIFA closed on the Board-approved $1.5 million loan to support Neighborhood Development Center's (NDC) green lending facility to small businesses installing decarbonization and renewable energy installations.
- Minnesota Marine Arts Museum (MMAM) for the Board-approved $250,000 loan to support their rooftop solar installation. Target closing date in June 2026.
- Peter Greenwood gave an overview of the loan loss reserve product MnCIFA is looking into, and why it is important for MnCIFA's mission.
    - Loan Loss Reserve is a credit enhancement that seeks to offset the risk of nonpayment from borrowers. Lenders typically set aside a percentage of

    their own capital to fund their LLR's as a precautionary measure. They can also be set up by a third party (MnCIFA) to offset risk on behalf of another lender – taking on all or part of the potential loss should nonpayment occur.
  - Why MnCIFA is looking at an LLR is to provide access and/or increased exposure to new and potentially higher risk borrower profiles, geographies, business models, and technologies that otherwise may not be bankable. It also leverages private investments and increases volume of high impact loans while minimizing risk.

Finance Team Update:

- Eric Horent, CFO at MnCIFA, gave an update on the portfolio dashboard as of 6/8/2026:
  - Number of current loans: 11
  - Amount of current loans: $29,608,700
  - Total cost of projects: $122,654,281
  - MnCIFA's share of projects' funding: 24.1%
  - Average amount of current loans: $2,691,700
  - Min-Max amount of current loans: $250,000 - $5,000,000
  - Trend for FY:26 ($2.2M in FY26)
  - (Weighted) average term of current loans: 5.4 years
  - Min-Max term of current loans: 2 years – 10 years
  - Trend for FY26 (4.4 years in FY26)
  - (Weighted) interest rate of current loans: 4.28%
  - Min-Max interest rate of current loans: 2.50% - 5.84%
  - Trend for FY26 (4.77% in FY26)
- Number of loans in repayment: 4
- Loans in repayment:
  - GMHF
  - New Rock/Sandstone
  - 3561 Minnehaha
  - Avenues for Youth
- Number of loans in deferment: 7
  - Lake Street Solar starting repayments in August 2026
  - Carba starting repayments in September 2026
- Loan Servicing dashboard as of 6/8/2026:
  - Sum of amount received: $3,517,378
    - Interest received: $288,533
    - Principal received: $3,208,846 (11% of principal of current loans)
    - Origination fee received: $20,000
  - Number of invoices issued: 38
  - Number of payments received: 34
  - Number of overdue payments: 1

        - No concern with project with late payment status. Not a financial issue, a title company handling draws which means a longer turnaround time for payments.
    - Loan Management System:
        - Recent milestone:
            - Completed the MNIT Enterprise Services Architecture Review Board (ESARB) review. System approved for use.
            - Salesforce licenses and Salesforce cloud backup procured
        - Current activities:
            - Last steps of procurement process (SOW and License Agreement for Carahsoft)
            - Expected start date of implementation:
                - July/August 2026 (4 weeks after contract is signed)
            - Expected production date:
                - December 2026/January 2027
    - Financial Team Activity Updates:
        - Second quarterly meetings have been completed
            - Projects continued to experience challenges with grid connection and federal payments/reimbursements
            - Developers and others are developing new business models in response to recent federal actions
        - Portfolio manager has been hired and starts on 6/22/2026
    - Portfolio Management Policy Updates that will be implemented September 1, 2026:
        - Number of policies completed: 7
            - Core policies identified in various reviews of MnCIFA's operations.
        - List of policies completed:
            - Loan monitoring
            - Delinquency management
            - Allowance for loan losses
            - Risk acceptance and exceptions
            - Real estate appraisal and evaluations
            - Charge off and recovery
            - Stress testing and scenario analysis
    - Motion to approve Loan Monitoring Policy
        - Motion: Nelmark, Second: Haagenson
        - Unanimous approval – roll call vote
    - Motion to approve Delinquency Management Policy
        - Motion: Fowler, Second: Nelmark
            - Motion to amend the motion to approve the delinquency management policy subject to changing the procedures section to get rid of the word "none" and say collection procedure is forthcoming: Kumar, Second: Haagenson

- Unanimous approval – roll call vote
- Motion to approve Allowance for Loan Losses Policy
  - Motion: Haagenson, Second: Nelmark
  - Unanimous approval – roll call vote
- Motion to approve Risk Acceptance and Exceptions Policy
  - Motion: Mills, Second: Fowler
  - Unanimous approval – roll call vote
- Motion to approve Real Estate Appraisal and Evaluations Policy
  - Motion: Kumar, Second: Wyckoff
  - Unanimous approval – roll call vote
- Motion to approve Charge-Off and Recovery Policy
  - Does not require board approval

Legal and Tribal Affairs Update:

- Pete Jones, Staff Attorney at MnCIFA, gave an overview of legal templates of standard form documents which have been created with Jellum Law Firm. These consist of promissory note, security agreement, and loan agreement.
- Tribal affairs update:
  - May 29, 2026: informational meeting with Prairie Island Indian Community Net Zero Director
  - July 10, 2026: MN Indian Affairs Council (MIAC) – MnCIFA will reintroduce and discuss the Call for Applications
- Other:
  - Process has started on data inventory and flow for responding to data requests
  - Foreclosure and collections to be supported by Jellum Law Firm

Executive Director's Report:

- Kari Groth Swan gave an overview on the recent work that has been done by MnCIFA.
- The strategic planning process has been started with the MAD team leading as main project managers, who helped manage it previously. An Environmental Justice consultant has been hired to help dive deeper into the environmental justice area of MnCIFA.
- Kevin McKinnon will be stepping down as DEED's representative for the board. He will continue to help with strategic planning when able, and Lisa Hughes will be replacing him for DEED's representative. Pete Wyckoff will be leaving Commerce and Lissa Pawlisch will be replacing him.
- Motion to approve resolution honoring and thanking Pete Wyckoff for his service
  - Motion: Bali, Second: Kohlasch
  - Unanimous approval – roll call vote

Other Business & Discussion for the Board:

- No discussion.

Motion to Adjourn:

- Motion: Kumar, Second: Kohlasch
- Unanimous approval – roll call vote
- Meeting ended approximately at 12:01 p.m.