Meeting Minutes: Minnesota Climate Innovation Finance Authority Board of Directors

Date: 05/15/2024
Minutes prepared by: Parisa Rostamkhani
Location: Minnesota Pollution Control Agency – Conference Room 009 / Hybrid

Attendance:

- The meeting began at approximately 9:31am
- Present: Kumar, Haagenson, Fowler, Kohlasch, Nelmark, Perushek, Sultanova, Teiken, Warmuth
- Benjamin: Joined at 9:45am, Wyckoff: Joined at 9:40am
- Absent: McKinnon.

Approval of Agenda:

- Motion: Fowler, Second: Warmuth
- Unanimous approval - roll call vote

Approval of Minutes from April 17th, 2024 Board Meeting:

- Motion: Nelmark, Second: Teiken
- Unanimous approval - roll call vote.

Management Analysis and Development (MAD):

- Stacey Sjogren and Lisa Anderson provided a high-level overview for the process and structure of strategic plan, investment strategy, and stake holder engagement within MnCIFA. The iterative process will have a high-level timeline with many dependencies.
- Strategic Plan:
    - An administrative tool that the board may influence “higher” aspects.
    - Informed at highest levels by statutes and vision statement.
    - Elements suggested: Priorities, supporting strategies, action steps.
    - Informed at lower levels by guiding principles.

- Question for discussion: Does this description of strategic plans and the possible types of priorities align with the general thinking of the board?
    - **Public Comment:** Katherine Teiken with Minnesota Housing reminded that we’ll have to update the strategic plan every two years, and to make sure it is being

set up for future success. Thinking through the possible priorities listed and wondering if these are going to be the same priorities in two years, and does it make sense to change priorities every two years, or carry them over?

- Investment Strategy:
  - Informed by and often part of a strategic plan.
  - Establishes principles designed to help MnCIFA achieve investment goals.
  - Ensures mission, vision, and values are reflected in MnCIFA operations.
  - Provides framework/consideration to identify focused project types, financing gaps, and partnerships/tools most likely to facilitate with the success of MnCIFA.
  - Supports sound financial practices and risk management.

- Question for discussion: Thoughts on investment strategy?
  - **Public Comment:** Joe Fowler questioned if we want to have a list of how many people within the disadvantaged community benefited from it, and if that would be a checklist on the investment. Lisa Anderson responded that is one approach that can be taken to measure performance of how many people we serve, how much did we do, etc.

- Stakeholder Engagement:
  - Tailored to individuals and groups who can have a direct affect, or are directly affected by, the work MnCIFA is doing. (Ackerman and Eden, 2011)
  - Provides clarity on the information sought and how MnCIFA will use it.
  - Differs from information extraction because it initiates or develops a relationship for two-way communication.
  - Accommodates needs, preferred communication when possible.
  - Includes members of the organization.

- Stakeholder Engagement Process:
  - Review work that's been done to date, identify gaps and follow up questions.
  - Identify stakeholders and goals for stakeholder engagement.
  - Conduct stakeholder analysis.

Open Discussion:

- Discussion of employment strategy and working with MAD about the position description for Executive Director, as well as Chief Operating Officer sometime in the second quarter.
- Looking to fill a Controller HR position; someone with background as a state employee and knowledge of the state system.
- Enterprise employee resources team that recruits within MB, that assists with the executive level recruitment, as well as the agency SMART within the Department of Administration. They provide HR and Finance services, but unaware of their full extent and pricing structure.
- Future landing capabilities consist of $45 million, and 25% of it is going to be deployed before the strategic plan and investment strategy is in place. There are also contracts with MAD and Department of Commerce, so essentially $5 million is left, as $4.7 million plus has been deployed.

- Expecting $25 million from Inflation Reduction Act through the Environmental Protection Agency allocation to Coalition for Green Capital. This money will flow through the CGC, $5 million of which was indicated we will get a pro rata share. Funds are not limited to the 25% and can deploy those funds when received. Timing on when is in question, but thinking funds will be in hand by third quarter.
- Lissa Pawlisch and Pete Wyckoff received $62 million for Solar for All, and MnCIFA will try to help deploy those funds through various projects. This will help climate justice communities, as 100% of the Solar for All funds must be deployed.
- Looking at leveraging our funds and going to the loan program office of the Department of Energy. Minimum request is $100 million. Would like to proceed with $150 million of projects for Solar on School. The loan program office underwriting will be easier and quicker.
- Responses to RFI's from multiple agencies, such as University of Minnesota, Minnesota State, MMB, and other public entities. Minnesota State has projects in excess of a billion dollars, as well as MMB.
- Looking to go after $80 billion at the LPO. Must act quickly as other bigger states are going to go after it as well.
- Will not deploy any of remaining $5 million outside of the environmental justice projects.

- **Public Comment:**
    - Brendon Slotterback mentioned several EPA awardees will also have national lending pools. MnCIFA has DOE, funds directly from CDC, but CDC itself will also have a national lending pool that some of the other awardees of EPA will too. They are in negotiation right now with EPA about what their projects and budgets look like finalized. MnCIFA is in a good position due to responses of billion-dollar projects and are working to understand how to pitch Minnesota projects to get funded, even if financing is flowing through MnCIFA's balance sheet.
- Update on vacant board seat: will know by June 17th.
- No June Board Meeting. There will be a virtual Public Strategic Planning and Investment Committee meeting on June 6th at 9am as well as a virtual Quarterly Public Input meeting on June 10th at 5:30pm. Link to meeting will follow.

Motion to Adjourn:

- Motion: Fowler, Second: Teiken
- Unanimous approval – roll call vote
- Meeting ended approximately 11:05am