CLIMATE INNOVATION FINANCE AUTHORITY

Meeting Minutes: Minnesota Climate Innovation Finance Authority Board of Directors

Date: 03/18/2026
Minutes prepared by: Parisa Rostamkhani
Location: MPCA Office Conference Room #100 / Hybrid Meeting

Attendance:

- The meeting began at approximately 9:30 a.m.
  - Present: Kumar, Haagenson, Benjamin, Kohlasch, Mills, Nelmark, Perushek, Sultanova, Teiken, Warmuth, Wyckoff
    - Kevin Pranis, proxy for Joe Fowler
  - Absent: McKinnon

Approval of Agenda:

- Motion: Warmuth, Second: Haagenson
- Unanimous approval- roll call vote with Kevin Pranis abstaining from voting as a proxy for Joe Fowler

Approval of December 17, 2025, Board Meeting Minutes:

- Motion: Haagenson, Second: Kohlasch
- Unanimous approval - roll call vote with Kevin Pranis abstaining from voting as a proxy for Joe Fowler

Governance:

- Amy John gave an update on the Per Diem Policy for the Board of Directors.
- An overview of the COOP plan was given.
- Amy gave an overview of the plan that would happen if Executive Director were not able to perform
  - Discussion was made on the resolution
- Motion to approve the Resolution 2026-2 (with an amendment to remove the word travel) that if the MnCIFA Executive Director is unavailable due to incapacity, illness, travel, or unforeseen events, the order of succession is Chief Investment Officer, and then Chief Financial Officer, and that the powers and duties of the MnCIFA Executive Director as set forth in Article 5, Section 2A are delegated to the appropriate successor

while acting under the approved order of succession for 30 days, and that this time may be extended by approval of the board.
    - Motion: Kumar, Second: Teiken
    - Unanimous approval - roll call vote with Kevin Pranis abstaining from voting as a proxy for Joe Fowler and Lisa Hughes abstaining from voting as a proxy for Kevin McKinnon.
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    - Motion for Resolution 2026-1 for the Chief Investment Officer to enter into contracts and interagency agreements for regular operational services, including the implementation of the approved annual work plan under the supervision of the Executive Director, and that this power specifically includes an execution of such contracts and is given to the Chief Investment Officer, in addition to and not instead of the Executive Director
        - Motion: Kumar, Second: Teiken
        - Unanimous approval - roll call vote with Kevin Pranis abstaining from voting as a proxy for Joe Fowler and Lisa Hughes abstaining from voting as a proxy for Kevin

Technology Updates:

- Maya Ly, MnCIFA's MNIT Program Manager, gave an overview of the technology projects for MnCIFA.
    - MnCIFA's website project remains stable and fully operational. The warranty period has been completed, and monitoring of the website will be done with any coordination of outside vendors if needed.
    - The E-Payment portal went live a week prior to this meeting. This is designed to provide a secure and accessible online platform for payees to submit either loan origination fees or loan repayments. The portal will integrate directly with U.S. Bank to facilitate real time payment processing and ensure accurate financial reconciliation.
    - The lending portal procurement process is in progress. This is a very important project that is in the final stage of the vendor selection. Once vendor decision is finalized, the next stage will be procurements. The projected timeline is May for kick-off and September for launch. This platform allows applicants to apply for loans, track application status, and manage loan-related activities. The portal will streamline the end-to-end lending process from application intake to disbursement and repayment possibly integrating with internal systems SWIFT to ensure data accuracy and operational efficiency.

Investment Team Update:

- Arpita Bhattacharyya gave an update on the January Investment Team regarding the Call for Application, lending manual, and closing details for Enterprise Energy and Neighborhood Development Center (NDC):
    - The Call for Applications went live for 2026 on mncifa.mn.gov/call-for-applications. This will help to get more specific on the projects that can be funded. The three pillars for the Call for Applications will be to help reduce energy costs, increase

reliability for Minnesotans, bring clean energy innovation to Minnesota, and expand clean energy opportunities in Tribal or greater Minnesota communities.

- MnCIFA seeks projects that will deploy commercially available clean energy technologies to save consumers, companies, nonprofits and other entities money on their energy costs. Technologies include but are not limited to: solar, storage, geothermal, energy efficiency, wind. The preferred qualifications will be a loan size between $250,000 to $2,000,000. A financial model will be required and/or economic models that demonstrate cost savings to the end customer. MnCIFA financing can be up to 30% of the project capital stack.
- Bring clean energy innovation to Minnesota that spurs economic development, i.e. Flow, Carba Inc., etc.
    - Seeking projects to utilize innovative technologies and create quality jobs and bring new companies and cutting-edge clean energy products to Minnesota. The preferred qualifications will be a loan size between $500,000 to $5,000,000, and financing can be up to 50% of the full project capital stack.
- The other focus for projects will be to expand clean energy opportunities in Tribal or greater Minnesota communities.
- Loan Terms:
    - Origination fee: a one-time fee; 1.0% on loan amounts up to $2,000,000, plus 0.5% on any amount exceeding $2,000,000.
    - Interest Rate: Risk adjusted spread over the base cost of funds (U.S. Treasuries), based on project risk and notching factors, including job creation, benefits to Environmental Justice Communities, leveraging private financing, and geographic diversity.
    - Term: 2-7 years.
- Marissa Deml, the Finance Admin assistant, gave an overview of the timeline for the Call for Applications.
    - All questions and answers from the preceding week will be posted to the Call for Applications webpage every Friday.
    - A webinar will be hosted on February 26.
    - March 10 will be when the first application window closes.
    - March 11-25 will be the first application review period.
    - March 25 will be when applicants receive notice on whether they are moving forward. MnCIFA will post notice of any additional review windows.
- Peter Greenwood, Director of Investments, discussed the lending manual and the updates that have been made:
    - Improvement of focus on project intake, origination, due diligence, and Credit Committee and Board approval processes.
    - Refinement and streamlining of project scoring tool and project risk rating and pricing tool templates.

        - Guidance of project versus corporate financial ratio analysis and acceptable thresholds to MnCIFA.
        - Integration of additional Know-Your-Customer (KYC) verifications throughout the process.
        - Introduction of new closing processes, to include interdepartmental closing committee.
    - The project intake process and application overview will be an articulation of project intake process via either a Rolling Basis or Call for Applications. Further clarification of Base Eligibility Criteria, Preference Criteria, and a completion of preliminary Know-Your-Customer. The base eligibility criteria is location in Minnesota, meets the definition of a qualified project, requests a minimum of $250,000, and pays the prevailing wage. Preference criteria include high-quality employment*

Finance Team Update:

- Eric Horent, Chief Financial Officer, discussed loan portfolio monitoring which is continuous, systematic oversight and analysis of MnCIFA's loan portfolio to assess credit quality, identify and mitigate risks.
    - Quarterly reviews: MnCIFA staff shall prepare a Quarterly Performance Report for presentation to the Board summarizing the status and performance of each individual loan and portfolio as a whole.
    - Annual review: MnCIFA staff shall prepare an Annual Review of each individual loan. Annual Review is an in-depth financial analysis of borrowers, analysis of project progress, etc.
        - MnCIFA staff shall prepare a summary of the Annual Review for presentation to the Board.
- An in-depth analysis will be done for higher risk projects. Loans with risk ratings of three or below are classified as higher-risk credits and placed on the MnCIFA watch list.
- MnCIFA will monitor the investment loan portfolio and conduct in-depth risk analyses for
- Charge-Offs/Write-Downs: MnCIFA will charge off or partially write down loans deemed to have a high probability of loss.
    - All loan charge-offs must be authorized by the Credit Committee. Approved charge-offs shall be reported to the Board.
- Loan Loss Reserve: MnCIFA shall establish and maintain an Allowance
- Past due payments: MnCIFA shall
- Compliance requirements: MnCIFA is committed to working with borrowers to ensure that loans remain in compliance with the terms of the loan
- Loan Servicing and Monitoring Recent activities:
    - Procedures to accompany Lending Manual
        - 5-month engagement with Berry Dunn and MMB
        - Focus: policies, templates, and procedures
        - Policies to be submitted to Board of Directors for approval

- New loan accounting structure implemented in SWIFT:
  - Allows us to track loan transactions by funding sources and categories of payments.
  - Will allow accommodation of new funding sources and new products.
- Payment Portal in production
  - ACH payments through U.S. Bank
  - Allows us to implement our invoicing process
- Loan Management System
  - Finalizing vendor selection
  - Preparing procurement (2-3 months)
  - Planning implementation (2-3 months)
  - Timeline for system to be in production: August 2026

Legal Updates:

- Pete Jones, Staff Attorney, gave an update on loans and presented the amendments and approval of the changes to 3 projects:
  - Neighborhood Development Center (NDC) has requested that the Board approve extending the loan term from seven (7) years to nine (9) years.
    - Motion that the board approve NDC's request of loan term extension from seven (7) years to nine (9): Kumar, Second: Nelmark
      - Motion of amendment made by Haagenson to change the language to negligible
    - Unanimous approval – roll call vote

  - 30,000 Feet: experiencing delays with receiving tax credits.
    - Loan modification made: New maturity date of July 31, 2027 (end date in the Credit Memo and the recorded mortgage). This will add a new subsection to the Loan Agreement regarding the use of the tax credit proceeds to pay MnCIFA and the timing of that payment.

  - Renewable Energy Partners (REP) is experiencing delays in receiving reimbursements from the DOE. Requesting approval of a loan modification to change the date at which REP will pay interest and principal from January 1, 2026, to January 1, 2027.
    - Motion to adopt resolution 2026-3 to amend the loan agreement to Renewable Energy Partners to allow for monthly interest and principal payments to begin on January 1, 2027: Kumar, Second: Mills
      - Motion to amend the language from "tax credits to pay off" to "reimbursements" stated in resolution 2026-3: Wyckoff, Second:
    - Unanimous approval – roll call vote

Executive Director's Report:

- Kari Groth Swan gave an Executive Director's report.
  - Communications: The Annual Report for 2025 was filed on 2/18/2026 and is available on the MnCIFA website. Mo Schriner, Director of Communications and Engagement, is working with a graphic designer to make changes. Quarterly 2026 meeting on February 9 was a great turn out and had over 100 attendees between both virtual and in-person. Targeted outreach has been prioritized for the Call for Application.
  - Work is being done with the Governor's office on bills for the 2026 legislative session.
  - Kari will be presenting on February 24 at the House session and expected to be called up to the Senate in March
  - Starting conversation with MAD to plan for strategic plan contract
  - Climate United vs EPA lawsuit hearing will be on February 24. Kari will attend the mock trial preview. Unlikely to hear decision until late spring/early summer.
  - MnCIFA staff have now moved to the new office space and are looking to expand the team.

Other Business & Discussion for the Board:

- Kumar discussed the cadence of the board. The current schedule is 2.5 hours in the even months of the year. A proposal was made to have a deal/workflow-only board meeting held on the odd months from 10:30-11:30 a.m. starting in May 2026. They will be canceled if there is no discussion. Only two board members and one MnCIFA staff member will attend in person, and the rest of the members are virtual.

Motion to Adjourn:

- Motion: Kumar, Second: Mills
- Unanimous approval – roll call vote
- Meeting ended at approximately 11:58 p.m.

Action Items:

- Amend NDC credit memo language to reflect minor/negligible financial impact of longer tenor.
- Revise REP resolution language from "ITC delay" to "federal reimbursement delay" and print updated version for signatures.
- Requested that BOD share careers page link for open investment and finance roles.
- Peter Jones and Mo Schriner coordinating Tribal engagement with Jackie Dionne, our Tribal Affairs liaison through Commerce.