



Executive Director's Report March-April 2022

Vacation – I will be taking more than usual vacation time. First a trip to Austin Texas for a wedding from May 18th to May 22nd. Then I will be back for the work week and then leave for an overseas vacation in Africa. I will be away from May 30th to June 20th. As you would expect, internet access is very limited, and I will have no cell phone. The office will be left in the very capable hands of the staff led by Suzanne Sebastian.

Delaware Business Times -Mid-Size Nonprofit -CEO of the Year – Robin Coventry was kind enough to nominate me for this honor. I did not know about it until I was told I was a finalist. Nice way to wrap up a career. There is an award dinner planned for July 14th at the Deerfield Golf Club. There is also a golf outing, so I would be happy to caddy.

Strategic Plan – We developed a prioritization exercise for the members of our Citizen Strategic Planning Committee to help us prioritize 40+ ideas for new programs and initiatives. The committee met in April and completed the exercise. We will now begin evaluating the results. We will work over the summer to start writing the Strategic Plan and hope to present it to you at the September meeting. This summer we will likely have one or two more committee meetings, and perhaps a public meeting.

Executive Search Committee – Possible Executive Search firm names and short descriptions were sent to the committee; the goal is to meet after our regular board meeting and select two or three firms to interview.

Solar Website Design – InClima has been selected to work with us on developing the solar website. They were by far the most knowledgeable firm, the least cost, and demonstrated the ability to design a solid website. In addition, a stakeholders committee has been formed to help with the design. The goal is to have it completed by the fall.

Investment Portfolio Changes – In my last report, I informed the committee that due to market changes we want to consider a conservative but longer-term investing strategy. It was agreed that Doug Bacher and I would work with PNC, our investment managers, on a duration distribution plan. Since then, it was determined that we will have to make some changes to our Investment Policy. There is no need to rush this because markets favor our current short-term investment strategy. I will bring suggested policy changes to the September Board meeting.

Jefferson Solar Foreclosure – We continue to move forward with the foreclosure on the Jefferson School Solar array. The Sheriff sale is now likely to occur in July. There have been several new developments regarding this matter, and I have asked Frank Murphy to provide you with a more detailed memo.

Bond Rating Upgrade – In April we were informed that our rating for our 2011 Bond Issue that was refunded in 2020 had its rating increased by Moody's from Aa2 to Aa1. This will have no impact on our activity now, and it is good news if we do a future bond issue. Attached is Moody's news release.

Press Release

Moody's upgrades to Aa1 the rating on Delaware's outstanding energy efficiency revenue bonds; outlook stable

Moody's Investors Service has upgraded to Aa1 from Aa2 the rating on the State of Delaware's outstanding Energy Efficiency Revenue Bonds issued by the Delaware Sustainable Energy Utility, Inc. The rating applies to the Energy Efficiency Refunding Revenue Bonds, Series 2020 (Taxable) and Energy Efficiency Revenue Bonds Series 2011. This action concludes the review for possible upgrade initiated on March 22, 2022 related to the publication of the new US States and Territories methodology.

RATINGS RATIONALE

The upgrade to Aa1 incorporates the moderate legal structure associated with the bonds and the more essential nature of the projects financed with the debt. The bonds financed energy conservation improvements at various state agency facilities, and those financed improvements are associated with core operations of the state. Payments by several state agencies on their respective installment purchase agreements, which are ultimately used to pay debt service, are subject to state appropriation.