

Exhibit to Agenda Item #12

SMUD Board of Directors Meeting
November 15, 2018, scheduled to begin at 6:00 p.m.
Customer Service Center, Rubicon Room

Powering forward. Together.



Requested Actions

Authorize the Chief Executive Officer and General Manager or his designee to approve the inclusion of SMUD's disclosure information (Appendix A) in the preliminary Official Statement pursuant to the commodity prepay transaction with Northern California Energy Authority (NCEA) as the bond issuer, and execute the Commodity Supply Agreement, and any other related documents necessary to facilitate this transaction.

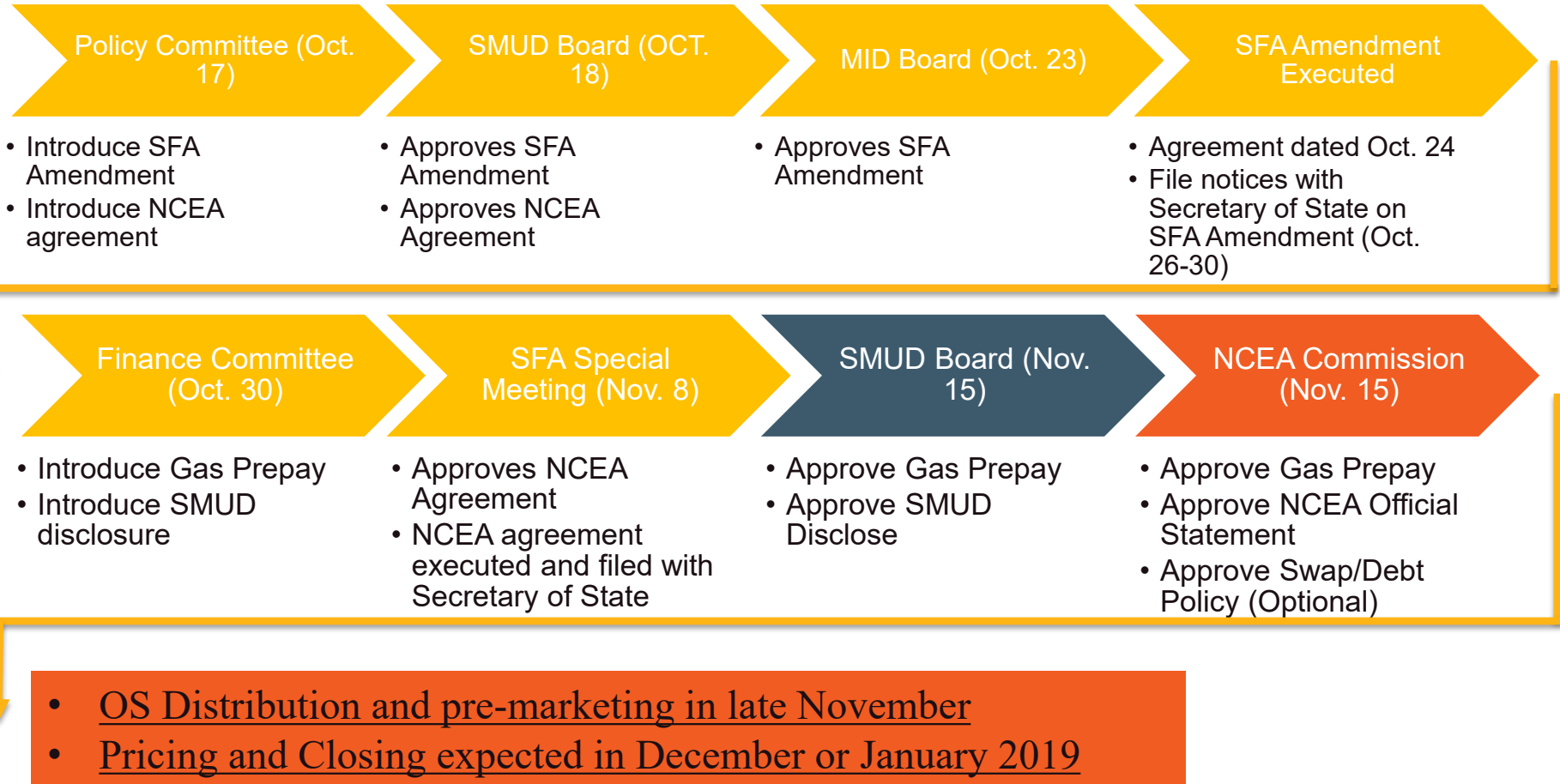
Commodity Prepay Savings

- Issuance of the 2018 Series A/B/C Commodity Supply Revenue Bonds
 - Prepay for 30 year supply of commodities
 - Issue approximately \$590 million of fixed/variable rate bonds
 - First 15 years gas supply and switching to electricity in 2034
 - Estimated Savings
 - \$3-4 million per year for the first 5 years
 - \$1+ million per year savings from year 6-30
 - \$23 million NPV savings over life of transaction

SB 450: Public Disclosure Requirement Related to Bond Issuance

- Government Code Section 5852.1
 - Requires a Good Faith Estimate of Cost is provided before issuance
- NCEA 2018 Series A/B/C Commodity Supply Revenue Bonds
 - True Interest Cost (TIC) 3.06%
 - Cost of Issuance \$4,167,987
 - Par Bond Proceeds \$582,880,000
 - Reserves \$8,600,000
 - Total Pre-Payment Amount \$589,873,144

Prepay Timeline



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