

Exhibit to Agenda Item #12

Adopt the following:

- a. **2022 Budget** which, among other things, establishes:
 - An Operations and Maintenance Budget of \$1,164 million (including Public Goods Charge of \$63.6 million);
 - A Debt Service budget of \$212.2 million;
 - A Capital and Reserve Budget of \$359.9 million; and
 - Authorized contingencies.

- b. Declaration of Intent to Issue Debt to create \$400 million of additional bonding authority to reimburse for qualifying capital expenditures, and Official Intent to reimburse for 2022 and 2021 capital expenditures from bond proceeds, which is required to maintain tax-exempt financing capability.

Board of Directors Meeting

Thursday, December 9, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Overview of 2022 Budget Process

November 5

**Board Members Receive
Draft 2022 Proposed
Budget Book**

November 9 & 10

**Finance & Audit
Committee Meeting
Presentations**

- Each Executive Presented Their Budget Details

November 16

**Finance & Audit
Committee Meeting
Presentation**

- SMUD 2022 Proposed Budget Follow Up Questions

December 9

**Board Meeting
Presentation**

- Request to Approve SMUD 2022 Budget

2022 Budget Authorization (\$M)

- Authorizes staff to expend funds
- Automatic spending adjustments for:
 - Increased sales
 - Low Precipitation & Hydro generation (RSF & HRSF)
 - Low Carbon Fuel Standard and Cap-and-Trade proceeds (RSF)
- Spending limits & sets funding for public goods
- Intent to issue debt

RSF = Rate Stabilization Fund

HRSF = Hydro Rate Stabilization Fund

Commodity	\$440.7
Public Goods	63.6
Operating Expenses	659.6
Sub-Total	\$1,163.9
Debt Service	212.2
Capital and Reserve	359.9
Budget Resolution Amount	\$1,735.9

Totals may reflect minor rounding differences

2022 Budget – Net Income (\$M)

Customer and Other Revenues	\$1,601.3
Energy Supply Commodity Expenses	440.7
Net Power Margin	\$1,160.6
Operating Expenses	659.6
Public Good	98.6
Depreciation & Non-Cash	222.6
Interest Expense	92.6
Other Income	29.1
Net Income	\$116.4

Totals may reflect minor rounding differences

Request to Approve

- 2022 SMUD Budget Resolution
- 2022 Debt Resolution