

# Exhibit to Agenda Item #8

Adopt the following:

- a. **2023 Budget** which, among other things, establishes:
  - An Operations and Maintenance Budget of \$1,253.2 million (including Public Goods Charge of \$75.5 million);
  - A Debt Service budget of \$225.5 million;
  - A Capital and Reserve Budget of \$624.9 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 2023 and 2022 capital expenditures from bond proceeds, which is required to maintain tax-exempt financing capability.

Board of Directors Meeting

Thursday, December 8, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

# Overview of 2023 Budget Process

## November 2

Board Members Received  
Draft 2023 Proposed  
Budget Book

## November 8 & 9

Finance & Audit  
Committee Meeting  
Presentations

- Executives Presented Budget Details

## November 15

Finance & Audit  
Committee Meeting  
Presentation

- SMUD 2023 Proposed Budget Follow Up Questions

## December 8

Board Meeting  
Presentation

- Request to Approve SMUD 2023 Budget

# 2023 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	\$484.9
Public Goods	75.5
Operating Expenses	692.8
<b>Sub-Total</b>	<b>\$1,253.2</b>
Debt Service	225.5
Capital and Reserve	624.9
<b>Budget Resolution Amount</b>	<b>\$2,103.6</b>

*Totals may reflect minor rounding differences*

# 2023 Budget – Net Income (\$M)

Customer and Other Revenues	\$1,729.4
Energy Supply Commodity Expenses	485.0
<b>Net Power Margin</b>	<b>\$1,244.4</b>
Operating Expenses	692.8
Public Good	109.8
Depreciation & Non-Cash	246.1
Interest Expense	95.5
Other Income	30.7
<b>Net Income</b>	<b>\$131.0</b>

*Totals may reflect minor rounding differences*

# Request to Approve

- 2023 SMUD Budget Resolution
- 2023 Debt Resolution