

Exhibit to Agenda Item #3

Approve the issuance of **SMUD 2022 Series J Revenue Refunding Bonds** and/or **SMUD 2022 Series C Subordinated Electric Revenue Refunding Bonds**, authorize the distribution of the Preliminary Official Statement, and authorize the Chief Executive Officer and General Manager to execute documents necessary to complete the refunding transaction or transactions, including the **Bond Purchase Agreement or Agreements**.

Board of Directors Meeting

Thursday, May 19, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Authorize Staff to Proceed with a Bond Refunding

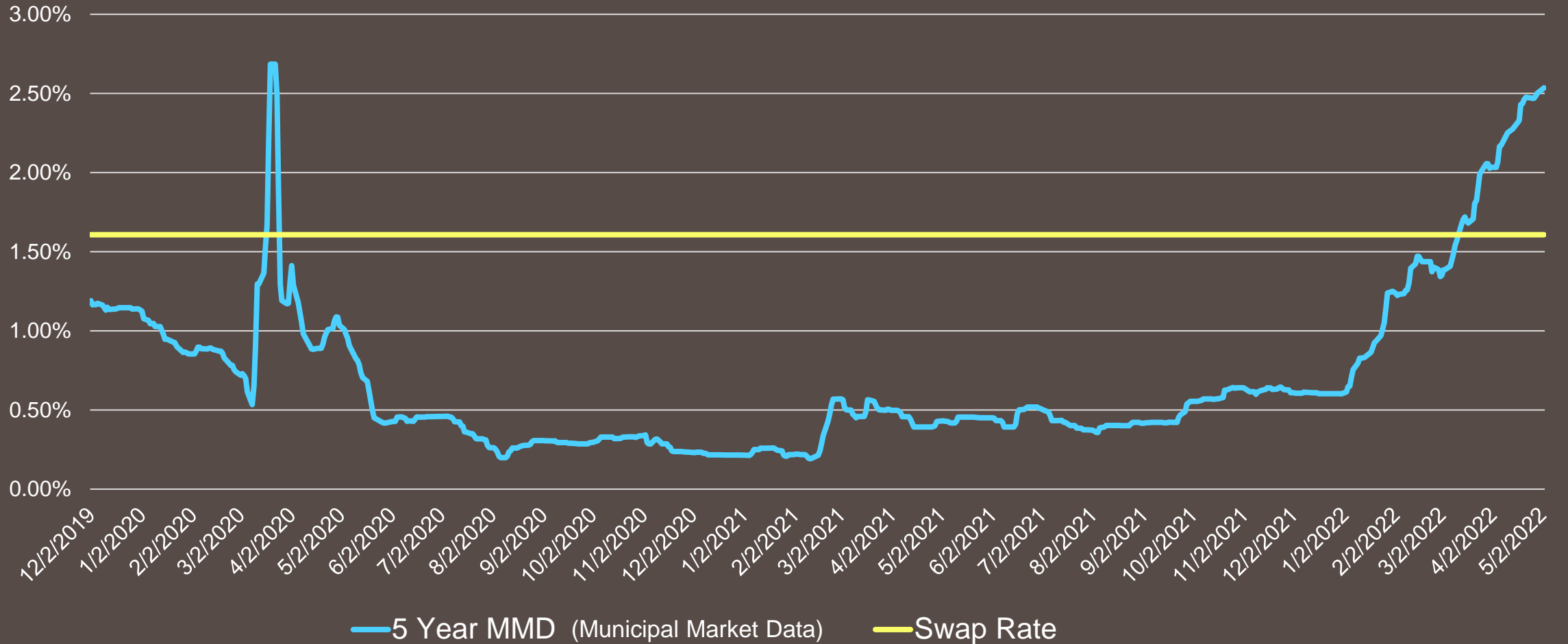
Issuance of Series 2022J Refunding Bonds

- Refund the remaining \$158 million 2012 Series Y bonds
- Provide approximately \$26 million cash flow savings (\$2.3 million per year)
- Seeking authorization for both options below. Staff will determine the option that maximizes savings and limits risk closer to the date of pricing.
 - **Option 1:** Issue approximately \$137 million fixed rate bonds with maturities from 2023 to 2033. Terminates the forward starting interest rate swap (hedge) entered in 2019, or
 - **Option 2:** Issue approximately \$158 million variable rate bonds with similar maturities. Swap becomes effective resulting in synthetically fixed (hedged) bonds.

Execute Necessary Documents

- Preliminary Official Statement (primary disclosure document)
- Bond Purchase Agreement
- All other necessary documents to complete transactions

Swap Provided Rate Protection



SB 450: Public Disclosure Requirement Related to Bond Issuance

Government Code Section 5852.1 requires a Good Faith Estimate of Cost provided by the Underwriter/Financial Advisor

2022 Series J Refunding Bonds Good Faith Estimate of Cost

True Interest Cost (TIC):	2.94%
Cost of Issuance:	\$824,468.00
Bond Proceeds:	\$151,275,899.80
Total Payment Amount:	\$174,035,552.78

Note: "Total Payment Amount" on Refunded bonds was \$200.04 million, producing savings of \$26 million



Questions?