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, or his designee, to execute documents necessary to complete the refunding transaction or transactions, including the **Bond Purchase Agreement or Agreements**.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting

Tuesday, May 17, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Powering forward.
Together.

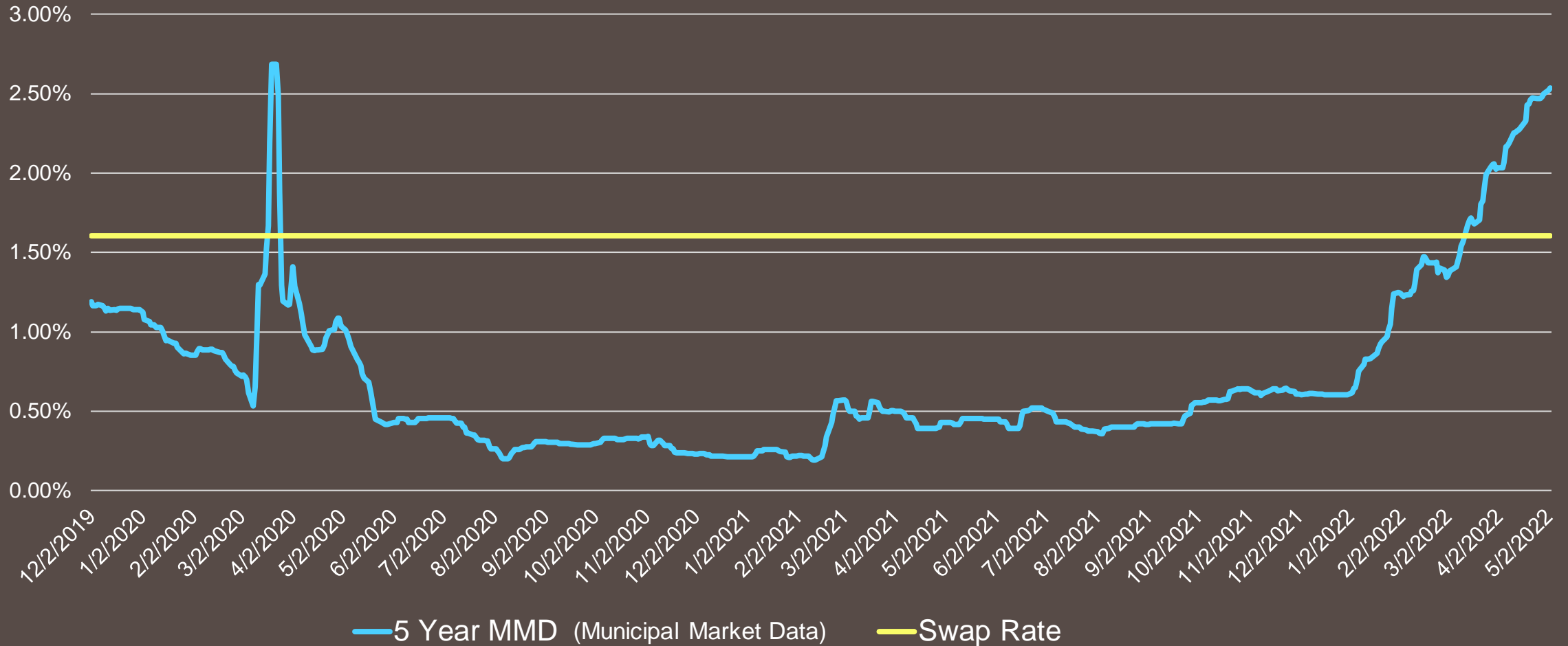SMUD®

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

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Swap Provided Rate Protection

Legend: 5 Year MMD (Municipal Market Data) — Swap Rate

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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

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Questions?

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