

Exhibit to Agenda Item #12

Approve the issuance of **SMUD 2025 Series O Revenue Bonds**, and **SMUD 2025 Series E 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 15, 2025, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

SMUD Revenue Bonds & Subordinated Electric Revenue Refunding Bonds

SMUD uses debt to keep rates low and share capital costs equitably

Commercial paper

- Used to maintain 150 days cash
- Preserves ability to borrow for capital spending
- Can be issued quickly
- Typically refunded by Bonds

Long-term bonds

- Long-term Fixed Rate Bonds – longer payback period
- Short-term Put Bonds – lower interest rate. Will have to refund in the future.

Bond Transactions Details

\$250 million of new money

- Refund \$75 million of outstanding Commercial Paper (CP) – restores full liquidity capacity
- Remaining funds will be used to reimburse for prior eligible capital expenditures
- Maintains SMUD's Days Cash above 150 days through year-end
- Structure will be based on market conditions at time of issuance

\$100 million to refund 2019 Series B Revenue Bonds

- Put Bonds must be refunded before October due date
- Plan to issue 5-7 year Put Bonds due to lower interest rates

Green Bonds and Commercial Paper

- SMUD's first Green Commercial Paper was issued in April 2025
- Expands investor pool for Environmental, Social, Governance (ESG) investors
- Pursuing Green Bonds for New money
- Helps establish market for Green Bonds and Commercial Paper



| Questions?