

Treasury Annual Update

Information Only
No Action Requested Today

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What We Will Cover Today

- New Board Designated Fund
- Annual update on financing plans
- Upcoming Board requests

Cash and Investment Topics

1. New Board Designated Fund – as directed by Resolution 20-14424
Electric Rate Support Fund
Established by Board in 2020 – 2024 Rate Plan
Directed staff to make deposits annually
Annual calculation: electric rate revenue X cumulative increase %
1st annual deposit December 2021
Include in year end Board Quarterly Financial Review (Feb. 2022)
Develop Board guidance for fund use in 2022
2. Investment and Banking Resolution – annual review process
Authorized signer updates due to staffing changes
Resolution request likely spring 2022

Debt Topics

2022 Operational Plan of Finance

Forecast Window	Activity	Action	Results End of Period	“Lower Results” Mitigation Tools
2022 Detailed Actions	Net Scheduled Principal Early Retirements* Net New Debt Refinancing Actions	\$ 34M \$ 12M \$ - None	Par \$349M Ratio 21%	Decrease cost growth
2023 – 2026 General Steps	Net Scheduled Principal Early Retirements* Net New Debt** Refinancing Actions	\$ 105M \$ 44M \$ 99M Monitor	Par \$299M Ratio 16%	Delay discretionary capital
2027 – 2030 Broad Path	Net Scheduled Principal Early Retirements Net New Debt Refinancing Actions	\$ 113M \$ - \$ 57M Monitor	Par \$243M Ratio 12%	Incremental rate increases

Based on Q2 2021 Financial Forecast Model data

* Early retirements 6 months in advance for savings and coverage support

** Forecast: New bond issuance of \$25M beginning in 2023

Debt Topics

1. No new 2022 External Issuances

None planned, but continue to monitor market opportunities

2. No new 2022 Internal Loan Needs

None planned, but continue to monitor project schedules

3. SBPA (Standby Bond Purchase Agreement)

Existing SBPA supports the 2008B variable rate bonds

The SBPA expires July 2022

Desirable to extend or replace prior to expiration

Plan to request Board approval in early 2022

Upcoming Board Requests

Q1 2022	Resolution for extended or replacement SBPA
Q1 2022	Resolution to update authorized signers in Investment and Banking Policy
Summer 2022	Consider and establish guidelines for uses of Electric Rate Support Fund