



NOTICE OF SPECIAL MEETING

**TO: Directors Renée Taylor, Howard Posner, Genevieve Shiroma, Rob Kerth,
Larry Carr and Bill Slaton**

This is to notify you that the **Finance & Audit Committee** of the Board of Directors will meet on **Tuesday, September 4, 2012**, at 5:00 p.m., in the Headquarters Conference Center (HCC) of the **SMUD Headquarters Building**, 6201 S Street, Sacramento, California. No Board action will be taken. The purpose of the meeting will be to review, discuss, and provide the Committee's recommendation on the following items:

COMMENTS FROM THE PUBLIC ARE WELCOME WHEN THE AGENDA ITEM IS CALLED
MEMBERS OF THE PUBLIC MAY ALSO SPEAK ON ITEMS NOT ON THE AGENDA

DISCUSSION ITEMS

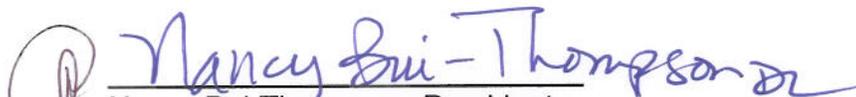
1. Authorize the General Manager to terminate the Gas Storage Services Agreement between SMUD and the **Sacramento Natural Gas Storage, LLC** and the Principles of Agreement between SMUD and the **Sacramento Natural Gas Storage, LLC** for the Lease of SMUD's Natural Gas Pipeline Capacity.
2. Accept the monitoring report for **Strategic Direction SD-3, Access to Credit Markets**.
3.
 - a. Approve 2013 medical insurance premiums and extend Contract No. 4500043215 with **Kaiser Permanente** for one year, for the period January 1, 2013 through December 31, 2013; 2013 cost estimated at \$18,000,000.00.
 - b. Approve 2013 medical insurance premiums and extend Contract No. 4500057524 with **Anthem Blue Cross** for one year, for the period January 1, 2013 through December 31, 2013; 2013 cost estimated at \$29,500,000.00.
4. Authorize SMUD's Accountant to defer recognition of income from non-exchange transactions for Assembly Bill 32 carbon allowances as regulatory liabilities and match revenue recognition to the related expenses and to defer or recognize Assembly Bill 32 program revenue and expenses in amounts necessary to match them in the appropriate accounting period for rate-making purposes.

INFORMATIONAL ITEMS

5. Enterprise Risk Management Update.

6. Provide the Board with the financial results for the seven-month period ended July 31, 2012.
7. Audit Reports: Compliance with Davis-Bacon; UARP Emergency Action Plan Manuals.
8. Provide the summary of SMUD's Power Supply Costs through July 31, 2012.

Dated: August 31, 2012



Nancy Bui-Thompson, President
Board of Directors
Sacramento Municipal Utility District

Note: Accommodations are available for the disabled public. If you need a hearing assistance device or other aid, please call (916) 732-6147 in advance of this meeting.

Members of the public wishing to inspect public documents related to agenda items may call (916) 732-6147 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California 95817.