

**SMUD BOARD POLICY**

Category: <b>Strategic Direction</b>	Title: <b>ACCESS TO CREDIT MARKETS</b>
	Policy Number: <b>SD-3</b>
Adoption Date: <b>May 1, 2003</b>	Resolution No. <b>03-05-07</b>
Revision 1: <b>October 16, 2003</b>	Resolution No. <b>03-10-14</b>
Revision 2: <b>May 6, 2004</b>	Resolution No. <b>04-05-06</b>
Revision 3: <b>February 3, 2005</b>	Resolution No. <b>05-02-04</b>
Revision 4: <b>January 24, 2008</b>	<b>Resolution No. 08-01-08</b>
Revision 5: <b>August 7, 2008</b>	Resolution No. <b>08-08-03</b>

Maintaining access to credit is a core value of the District. Therefore, the District shall comply with all bond indenture requirements and develop budgets in a fiscally sound manner.

Therefore:

- a) For the District's annual budgets, the Board establishes a target of cash coverage of all debt service payments (fixed charge ratio) of 1.3 to 1.5 times.
- b) The District's electric system, employees and board members shall be reasonably insured against risks and claims of liability.

**Monitoring Method: GM Report**  
**Frequency: Annual**