

Exhibit to Agenda Item #3

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

Tuesday, October 2, scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

SMUD Commercial Paper Program

- Program currently \$288 million with two credit facilities supporting the Commercial Paper
 - \$188M State Street facility renewed in June 2018 for 4 years at a cost of 0.42% per year
 - \$100M Barclays facility received proposal to renew for 4 years at a cost of 0.38% per year

Competitive Renewal Rate

- Barclays facility pricing is 0.04% lower than the renewal obtained from State Street three months ago.
- SMUD's Financial Advisor reaffirmed bank survey results and advised the 0.38% offer was within market and very competitive for AA credits.

Program Expansion

- Treasury currently analyzing an expansion of the program to support flexible financing
 - Access to capital funding without the long lead time needed for bond issuance
- Will seek approval from the Board to move forward
- Targeting late 2018-early 2019

Requested Action

- Authorize the Chief Executive Officer and General Manager or designee to negotiate and execute a four-year contract renewal with Barclays Bank (Barclays) for a Letter of Credit (LOC) that supports the outstanding Commercial Paper Series L.