

# Exhibit to Agenda Item #6

Discuss authorizing the Chief Executive Officer and General Manager to negotiate and execute a three-year contract renewal with **Barclays Bank** for a **Letter of Credit** that supports \$150 million of the outstanding **Commercial Paper Series L**, with terms substantially similar to the attached term sheet, and any documents necessary to complete the transaction.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Tuesday, June 17, 2025, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

# Commercial Paper Background

## Commercial paper

- Used to maintain 150 days cash
- Preserves ability to borrow for capital spending
- Can be issued quickly
- Requires a Letter of Credit

## Letter of Credit (LOC)

- A bank guarantee that supports the commercial paper program
- Provides the investor with safety knowing SMUD has bank liquidity to pay them when their investment matures
- Without a letter of credit SMUD cannot issue commercial paper

# Barclays Letter of Credit

- SMUD's Commercial Paper Program has two LOCs, one of which will expire August 1, 2025.
  - SMUD entered into an agreement with Barclays for a \$150 million LOC to support the Commercial Paper Program
- Barclays has offered to extend the LOC for a 3-year term, and at the same terms currently
- Preserves SMUD's commercial paper program capacity
- Supports SMUD's capital improvement program and maintains SMUD's liquidity program.





# Questions