

Exhibit to Agenda Item #8

Authorize the Chief Executive Officer and General Manager to negotiate and execute:

- a. A three-year contract renewal with **Wells Fargo Bank, N.A. (Wells Fargo)** to modify and extend a \$50 million **Line of Credit (Wells Fargo Line)** and all other documents or actions necessary to facilitate the **Wells Fargo Line**; and
- b. A three-year contract with **PNC Bank, N.A. (PNC)** for a new \$100 million **Line of Credit (PNC Line)** and all other documents or actions necessary to facilitate the **PNC Line**.

Board of Directors Meeting

Thursday, January 15, 2026, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

Liquidity Program 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
- Capacity of \$400 million

Line of Credit

- Used to maintain 150 days cash
- Preserves ability to borrow for capital spending
- Instantaneous access to cash
- Reliant on the bank as opposed to investor demand
- Current capacity of \$100 million

Lines of Credit

- Existing line of credit with Wells Fargo Bank expires February 2026
- Expanding lines of credit to \$150 million for a 3-year term through:
 - Extending Wells Fargo Bank existing line of credit
 - Adding PNC Bank for an additional new line of credit
- Additional line of credit capacity:
 - Supports SMUD's capital improvement program
 - Expands and diversifies SMUD's liquidity program
 - Ensures a minimum of 150 days' cash is maintained, with lower costs and immediate access to funds

