

## 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: <b>October 16, 2003</b>	Resolution No. <b>03-10-14</b>
Revision: <b>May 6, 2004</b>	Resolution No. <b>04-05-06</b>
Revision: <b>February 3, 2005</b>	Resolution No. <b>05-02-04</b>
Revision: <b>January 24, 2008</b>	Resolution No. <b>08-01-08</b>
Revision: <b>August 7, 2008</b>	Resolution No. <b>08-08-03</b>
Revision: <b>October 16, 2008</b>	Resolution No. <b>08-10-09</b>
Revision: <b>June 17, 2010</b>	Resolution No. <b>10-06-09</b>
Revision: <b>February 6, 2014</b>	Resolution No. <b>14-02-03</b>
Revision: <b>February 15, 2018</b>	Resolution No. <b>18-02-04</b>

Maintaining access to credit is a core value of SMUD.

Therefore:

- a) For SMUD's annual budgets, the Board establishes a minimum target of cash coverage of all debt service payments (fixed charge ratio) of 1.5 times.
- b) When making resource decisions, SMUD shall weigh the impacts on long-term revenue requirements, debt, financial risk and flexibility.
- c) SMUD's goal is to maintain at least an "A" rating with credit rating agencies.

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