

# Board of Directors

# Meeting

# Agenda

Date: January 15, 2026

Time: 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium

6201 S Street, Sacramento, California



Powering forward. Together.





## •AMENDED AGENDA

- Item 8 moved from Consent Calendar to Discussion Calendar.*
- Closed Session Agenda added.*

### SACRAMENTO MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS MEETING SMUD HEADQUARTERS BUILDING AUDITORIUM – 6201 S STREET SACRAMENTO, CALIFORNIA

**January 15, 2026 – 6:00 p.m.**

Virtual Viewing or Attendance:

Live video streams (view-only) and indexed archives of meetings are available at:

<https://www.smud.org/Corporate/About-us/Company-Information/Board-Meetings/Watch-or-Listen-online>

**Zoom Webinar Link: [Join SMUD Board of Directors Meeting Here](#)**

**Webinar/Meeting ID:** 160 082 2290

**Passcode:** 698697

**Phone Dial-in Number:** 1-669-254-5252 or 1-833-568-8864 (Toll Free)

Verbal Public Comment:

Members of the public may provide verbal public comment by:

- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the “Raise Hand” feature in Zoom (or pressing \*9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter’s name is announced.

Written Public Comment:

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to [PublicComment@smud.org](mailto:PublicComment@smud.org) or by mailing or bringing physical copies to the meeting. Email is not monitored during the meeting. Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

Call to Order.

a. Roll Call.

1. Approval of the Agenda.
2. Commendation Resolution for Director Fishman.

**Presenter: President Tamayo**

3. Committee Chair Reports.
  - a. Committee Chair report of January 14, 2026, Policy Committee
  - b. Committee Chair report of January 14, 2026, Finance & Audit Committee

**Items 7 and 8 were reviewed by the January 14, 2026, Finance and Audit Committee.**

***Comments from the public are welcome when these agenda items are called.***

**Consent Calendar:**

4. Approve revised Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 25-04-02) for the period of November 16, 2025, through December 11, 2025.
5. Approve Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 25-04-02) for the period of December 12, 2025, through January 15, 2026, and technology reimbursement for requests for purchases or repairs (pursuant to Resolution No. 19-12-05).
6. Approval of the minutes of the meeting of December 11, 2025.
7. Authorize the Chief Executive Officer and General Manager to negotiate and award contracts to **Eagle Systems International, Inc. dba Synergy, Sierra Valley Mechanical, and Clarke & Rush** (collectively, the **Contracts**) to provide residential assistance services for a three-year period from approximately March 1, 2026, through February 28, 2029, for a total aggregate not-to-exceed amount of \$40 million across the **Contracts**. **Finance and Audit Committee 1/14. (Brandy Bolden)**
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.~~

~~Finance and Audit Committee 1/14. (Scott Martin)~~

\* \* \* \* \*

- **Discussion Calendar:**

8. Authorize the Chief Executive Officer and General Manager to negotiate and execute:
  - c. 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
  - d. 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**.

**Finance and Audit Committee 1/14. (Scott Martin)**

\* \* \* \* \*

**Public Comment:**

9. Items not on the agenda.

**Board and CEO Reports:**

10. Directors' Reports.
11. President's Report.
12. CEO's Report.
  - a. Board Video

**Summary of Board Direction**

\* \* \* \* \*

- ***ANNOUNCEMENT OF CLOSED SESSION AGENDA***

1. **Public Employment.**

Pursuant to section 54957(b)(1) of the Government Code:

Employment of CEO and General Manager.

\* \* \* \* \*

**Board Committee Meetings and Special Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento**

January 14, 2026	Policy Committee and Special SMUD Board of Directors Meeting	Auditorium*	6:00 p.m.
January 14, 2026	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Auditorium	Immediately following the Policy Committee and Special SMUD Board of Directors Meeting scheduled to begin at 6:00 p.m.
February 10, 2026	Strategic Development Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
February 11, 2026	Policy Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
February 17, 2026	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
February 18, 2026	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.

\* \* \* \* \*

**Regular Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento**

February 19, 2026	Auditorium*	6:00 p.m.
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*\*The Auditorium is located in the lobby of the SMUD Headquarters Building, 6201 S Street, Sacramento, California.*

*Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.*

*Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the [smud.org](http://smud.org) website or may call 1-916-732-7143 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.*

**ADA Accessibility Procedures:** Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email [Toni.Stelling@smud.org](mailto:Toni.Stelling@smud.org), or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.



# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting &amp; Date

N/A

Board Meeting Date

January 15, 2026

TO				TO			
1.				6.			
2.				7.			
3.				8.			
4.				9.	<b>Legal</b>		
5.				10.	<b>CEO &amp; General Manager</b>		
<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>	<b>Budgeted</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Laura Lewis			DEPARTMENT Executive Office			MAIL STOP B308	EXT. 6123
<b>NARRATIVE:</b>							
<p><b>Requested Action:</b> Approve commendation resolution for Director Fishman.</p> <p><b>Summary:</b> The SMUD Board of Directors is composed of seven members, elected by the communities they serve. The duties of the Board President are defined by the Municipal Utility District (MUD) Act (California Public Utilities Code §§ 11501, et seq.), and during each one-year term, the Board President's job is to establish policies and values about how SMUD serves its customers and community and to set the long-term direction for SMUD.</p> <p>As the elected representative from Ward 3, Director Fishman served this Board well and faithfully as President for the year 2025. The Board would like to highlight the key accomplishments and contributions from Director Fishman.</p> <p><b>Board Policy:</b> Governance Process GP-3, Board Job Description- g) Serve as ambassadors for SMUD and build relationships throughout SMUD's service territory and the region.</p> <p><b>Number &amp; Title:</b></p> <p><b>Benefits:</b> Public acknowledgment of service.</p> <p><b>Cost/Budgeted:</b> This item has no direct budgetary impact.</p> <p><b>Alternatives:</b> N/A</p> <p><b>Affected Parties:</b> Board of Directors</p> <p><b>Coordination:</b> Board of Directors, Board Office, and Executive Office</p> <p><b>Presenter:</b> President Tamayo</p>							

**Additional Links:**

SUBJECT	ITEM NO. (FOR LEGAL USE ONLY)
Commendation Resolution for Director Fishman	<b>2</b>

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, Gregg Fishman, as the elected representative from Ward 3, served this Board well and faithfully as President for the year 2025; and

**WHEREAS**, President Fishman helped SMUD strengthen its reputation in 2025 as a leader in environmental stewardship, and a customer- and community-focused utility; and

**WHEREAS**, through President Fishman's leadership, SMUD continued progress in delivering on its 2030 Zero Carbon Plan, securing new clean energy resources, and pursuing new partnerships and pilot programs to ensure continued world-class reliability to support the most aggressive carbon reduction goal of any large utility in the U.S.; and

**WHEREAS**, SMUD kept rates among the lowest in California – and more than 50 percent lower than its neighboring investor-owned utility; and

**WHEREAS**, with President Fishman's leadership, SMUD was the first municipal electric utility in the nation to issue Green Commercial Paper, bolstering its ability to support the infrastructure investments that keep a reliable grid and rates among the lowest in California; and

**WHEREAS**, SMUD secured a \$91 million direct Investment Tax Credit payment for Solano 4, a project building on our tradition of wind energy development; and

**WHEREAS**, with President Fishman's leadership, SMUD continued to prioritize its workforce development efforts by partnering with more than 50 community groups this year to train over 4,000 people; and

# **DRAFT**

**WHEREAS**, under President Fishman's leadership, SMUD deepened its Community Impact Plan work to ensure low-income customers and small/medium businesses are brought along on the journey to zero carbon; and

**WHEREAS**, SMUD added more than 350 megawatts (MW) of new renewables and storage capacity; and

**WHEREAS**, under President Fishman's tenure, SMUD broke ground on the Country Acres Solar (344 MW) and Battery Storage (172 MW) project, and completed retooling its most efficient combined cycle resource, Cosumnes Power Plant, to provide greater operational flexibility while cutting greenhouse gas emissions by over 25% each year, saving SMUD approximately \$7 million per year; and

**WHEREAS**, President Fishman helped cut the ribbon on Sloughhouse Solar Agrivoltaic Ranch, demonstrating how clean energy can integrate with land stewardship best practices; and

**WHEREAS**, President Fishman continued to be critical to community and outreach efforts, attending dozens of events and delivering more than 60 speeches and presentations during the year; and

**WHEREAS**, President Fishman continued to faithfully serve his constituents in Ward 3, which includes East Sacramento, much of the Arden-Arcade area, and the Campus Commons, College Glen, and Rosemont neighborhoods, as well as parts of Carmichael, Florin, Fruitridge and Vintage Park; and

**WHEREAS**, the Board has benefited from President Fishman's fair management of the Board meetings, as well as his dedicated representation of SMUD's ambitious goal to our partners, the public and media; **NOW, THEREFORE**,

**DRAFT**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board commends Gregg Fishman for his outstanding service to the Board, to SMUD, and to the Sacramento community during his tenure as President, and the Board looks forward to serving with him as he continues as the Director for Ward 3.





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**RESOLUTION NO. \_\_\_\_\_**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS**  
**OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves revised Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of November 16, 2025, through December 11, 2025.



**DRAFT**

**RESOLUTION NO. \_\_\_\_\_**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS**  
**OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of December 12, 2025, through January 15, 2026.

**Section 2.** That this Board hereby approves Board member reimbursement requests for technology-related expenses (pursuant to Resolution No. 19-12-05).

**Board Member Request for Approval of Technology Reimbursement  
(pursuant to Governance Process GP-12, Board Compensation and Benefits)**

**Cell Phone Allowance (check only one box)**

- Low usage - \$8.75/per pay period  
5 hours or less of calls/texts per month
- Medium usage - \$16.25/per pay period  
5 hours to 24 hours of calls/texts per month
- High usage - \$26.25/per pay period  
More than 24 hours of calls/texts per month

**Data (check box if requested)**

- Email/Data Plan - \$20.00/per pay period

**Internet Access (check box if requested)**

- Internet access for laptops/tablets working remotely - \$16.00 per pay period

**Cell Phone Device Reimbursement (check box if requested)**

- Reimbursement up to \$400 every 24 months for the purchase of a phone

*Note: \*Senior Leadership cannot combine both reimbursements toward a cell phone. If you receive \$400 for a cell phone reimbursement, you can only use the \$1000 to purchase a laptop or iPad/tablet. If you receive \$1000 for the purchase of a cell phone, you are not eligible to receive the \$400 cell phone reimbursement.*

**Laptop/Tablet/Computer/Cell Phone Device Reimbursement (check box if requested)**

- Reimbursement up to \$1000 every 24 months for the purchase of a laptop/tablet or cell phone (see restrictions above with regard to cell phone purchases)

Date: 12-9-25

Name: Brandon Rose

Signature: Brandon Rose

**Board Member Request for Approval of Technology Reimbursement  
(pursuant to Governance Process GP-12, Board Compensation and Benefits)**

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Date: 12/1/2025

Name: Naomi Thompson

Signature: 

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(pursuant to Governance Process GP-12, Board Compensation and Benefits)**

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Date: 12-9-2025

Name: GPB66 PJSMmAV

Signature: John B.L.

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(pursuant to Governance Process GP-12, Board Compensation and Benefits)**

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Date: 12/9/25

Name: Rosanna Herber

Signature: Rosanna J Herber

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Date: 12/9/25

Name: Bob Kertz

Signature: 

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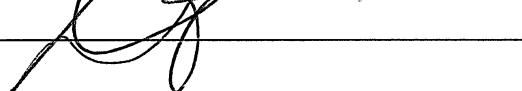
Date:

Dec 11, 2025

Name:

David Tomay

Signature:



**Board Member Request for Approval of Technology Reimbursement  
(pursuant to Governance Process GP-12, Board Compensation and Benefits)**

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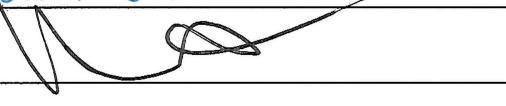
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- Reimbursement up to \$1000 every 24 months for the purchase of a laptop/tablet or cell phone (see restrictions above with regard to cell phone purchases)

Date: 12/9/2025

Name: Heidi Sanborn

Signature: 



# DRAFT

Sacramento, California

December 11, 2025

The Board of Directors of the Sacramento Municipal Utility District met in regular session simultaneously in the Auditorium of the SMUD Headquarters Building at 6201 S Street, Sacramento, and via virtual meeting (online) at 6:00 p.m.

Roll Call:

Presiding: President Fishman

Present: Directors Rose, Bui-Thompson, Herber, Kerth, Tamayo, and Sanborn

Present also were Paul Lau, Chief Executive Officer and General Manager; Laura Lewis, Chief Legal & Government Affairs Officer and General Counsel and Secretary, other members of SMUD's executive management; and SMUD employees and visitors.

Director Bui-Thompson shared the 2030 Climate Action Tip.

President Fishman called for approval of the agenda. Director Herber moved for approval of the agenda, Director Sanborn seconded, and the agenda was unanimously approved.

Director Kerth, Chair, presented the report for the Finance & Audit Committee meeting held on December 9, 2025.

Director Sanborn, Chair, presented the report for the Policy Committee meeting held on December 10, 2025.

President Fishman then called for public comment for items on the agenda.

Marissa Mandell, a constituent from Ward 4, stated she was speaking on behalf of the Save the Coyote Creek Community movement. She stated that Item 13 proves SMUD knows how to be good stewards of state funds when it wants to, but Items 10 and 11 contradict this. She requested SMUD to cancel the Coyote Creek Project. A copy of Marissa Mandell's written comment is attached to these minutes.

Ms. Lewis stated a reminder that the current public comment period was for Consent Calendar items, and Coyote Creek could be discussed during the general public comment period.

Written public comment, a copy of which is attached, was received from the following member of the public:

- Gabrielle Katanic

President Fishman then addressed the Consent Calendar consisting of Items 3 through 13. With regard to Item 5, he stated the item requests that the Board approve SMUD's Pay Schedule and Special Compensation items for employees, as required by PERS, the Public Employees' Retirement System. The Pay Schedule and Special Compensation items that the Board will approve include the salary schedules and special compensation policy for local agency executives. The salary schedule and special compensation schedule for local agency executives, excluding the CEO, includes a maximum annual salary of \$510,182 per month to remain competitive with the market and up to 25% incentive pay based on established metrics. The salary schedule for the CEO includes a maximum annual salary of \$1.4 million to remain competitive with the market. Vice President Tamayo moved for approval of the Consent Calendar, Director Bui-Thompson seconded, and Resolution Nos. 25-12-01 through 25-12-10 were unanimously approved.

**RESOLUTION NO. 25-12-01**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS**  
**OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 25-04-02) for the period of November 16, 2025, through December 11, 2025.

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

**RESOLUTION NO. 25-12-02**

**WHEREAS**, the Board of Directors currently delegates the authority to approve pay schedules and special compensation items to the Chief Executive Officer and General Manager; and

**WHEREAS**, the **California Public Employees' Retirement System (CalPERS)** adopted California Code of Regulations, Title 2, Sections 570.5 and 571(b), which require this Board to formally adopt pay schedules and special compensation items for purposes of calculating **CalPERS** retirement benefits; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Adopt Sacramento Municipal Utility District's Pay Schedule and Special Compensation items for employees pursuant to California Code of Regulations, Title 2, Sections 570.5 and 571(b), substantially in the form of **Attachment A** and **Attachment B**.

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			



**2026 SMUD Wage Schedule**  
Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date	
50051844	Cable Splicer/Electrician Foreman/Woman	12	IBEW937D	\$74.63										Hourly	12/13/2025	
50051577	Cable Splicer/Electrician Foreman/Woman Light	12	IBEW942A	\$78.08										Hourly	12/13/2025	
50051578	Cable Splicer/Electrician Foreman/Woman Light with class A	12	IBEW942L	\$79.23										Hourly	12/13/2025	
50051576	Cable Splicer/Electrician with Class A	12	IBEW923L	\$70.45										Hourly	12/13/2025	
50051583	Calibration Technician	12	IBEW925A	\$67.66										Hourly	12/13/2025	
50166640	Category Manager	12	PAS00560	\$110,260.80										\$146,099.20	Annually	12/13/2025
50131457	Chief Customer Officer	N/	EXECU01E	\$311,792.00										\$510,182.40	Annually	12/13/2025
50136448	Chief Diversity Officer	N/	EXECU01E	\$311,792.00										\$510,182.40	Annually	12/13/2025
50051691	Chief Executive Officer and General Manager	N/	EXECU03E	\$700,000.00										\$1,400,000.00	Annually	12/13/2025
50107656	Chief Financial Officer	N/	EXECU01E	\$311,792.00										\$510,182.40	Annually	12/13/2025
50159814	Chief Information Officer	N/	EXECU01E	\$311,792.00										\$510,182.40	Annually	12/13/2025
50051558	Chief Legal & Government Affairs Officer	N/	EXECU01E	\$311,792.00										\$510,182.40	Annually	12/13/2025
50170848	Chief Marketing & Communications Officer	N/	EXECU01E	\$311,792.00										\$510,182.40	Annually	12/13/2025
50159810	Chief Operating Officer	N/	EXECU01E	\$311,792.00										\$510,182.40	Annually	12/13/2025
50136450	Chief Strategy Officer	N/	EXECU01E	\$311,792.00										\$510,182.40	Annually	12/13/2025
50169284	Chief Zero Carbon Officer	N/	EXECU01E	\$311,792.00										\$510,182.40	Annually	12/13/2025
50051599	Civil Maintenance Foreman/Woman light	12	IBEW937G	\$71.40										Hourly	12/13/2025	
50051600	Civil Maintenance Foreman/Woman light with class A	12	IBEW937L	\$72.55										Hourly	12/13/2025	
50051601	Civil Maintenance Foreman/Woman light with hazmat	12	IBEW937X	\$72.67										Hourly	12/13/2025	
50123556	Claims Administrator Entry Level	F	PAS00450	\$84,094.40										\$111,342.40	Annually	12/13/2025
50161455	Claims Administrator Journey	12	PAS00540	\$104,956.80										\$138,985.60	Annually	12/13/2025
50051587	Combustible Turbine Foreman/Woman	12	IBEW945B	\$76.02										Hourly	12/13/2025	
50051588	Combustible Turbine Technician	12	IBEW917A	\$65.32										Hourly	12/13/2025	
50168961	Commercial and Industrial Energy Educator	12	PAS00620	\$127,857.60										\$169,312.00	Annually	12/13/2025
50134282	Communications Supervisor	12	PAS0059C	\$118,726.40										\$169,312.00	Annually	12/13/2025
50160594	Community Engagement Events Supervisor	12	PAS00620	\$127,857.60										\$169,312.00	Annually	12/13/2025
61000026	Community Engagement Representative I	12	PAS00450	\$84,094.40										\$111,342.40	Annually	12/13/2025
50132074	Community Engagement Representative II	12	PAS00560	\$110,260.80										\$146,099.20	Annually	12/13/2025
50097275	Computer Operations Specialist Entry Level	6	OSE0680B	\$32.43	\$33.22	\$34.05	\$34.92	\$35.81	\$36.65	\$37.60	\$38.54	\$39.47		Hourly	12/13/2025	
50097276	Computer Operations Specialist Journey	6	OSE0720B	\$39.46	\$40.48	\$41.51	\$42.53	\$43.58	\$44.67	\$45.75	\$46.92	\$48.08		Hourly	12/13/2025	
50161490	Construction Contract Analyst Entry Level	F	PAS00430	\$80,038.40										\$106,017.60	Annually	12/13/2025
50161492	Construction Contract Analyst Journey Level	12	PAS00520	\$99,923.20										\$132,350.40	Annually	12/13/2025
50051605	Construction Management Inspector I	12	OSE0740A	\$43.58	\$44.67	\$45.75	\$46.92	\$48.07	\$49.31	\$50.54	\$51.84	\$53.10		Hourly	12/13/2025	
50051606	Construction Management Inspector II	12	OSE0770B	\$51.24	\$52.52	\$53.82	\$55.17	\$56.58	\$57.95	\$59.45	\$60.88	\$62.45		Hourly	12/13/2025	
50122929	Construction Management Inspector III	12	OSE0772A	\$53.81	\$55.14	\$56.53	\$57.91	\$59.40	\$60.83	\$62.40	\$63.92	\$65.57		Hourly	12/13/2025	
61000019	Contract Administrator Journey	12	PAS00540	\$104,956.80										\$138,985.60	Annually	12/13/2025
50135051	Coordinator Education Relations	12	PAS00620	\$127,857.60										\$169,312.00	Annually	12/13/2025
50084576	Coordinator Electric Transportation Projects	12	PAS00640	\$134,305.60										\$177,902.40	Annually	12/13/2025
50051592	Coordinator Energy and Technology Center	12	PAS0059C	\$118,726.40										\$169,312.00	Annually	12/13/2025
50100156	Cost Schedule Specialist Entry	F	PAS00430	\$80,038.40										\$106,017.60	Annually	12/13/2025
50051609	Cost Schedule Specialist Journey	12	PAS00520	\$99,923.20										\$132,350.40	Annually	12/13/2025
50051610	Crafts Helper	12	IBEW828G	\$33.43	\$34.96	\$37.64	\$40.22	\$43.07						Hourly	12/13/2025	
50083191	Crafts Helper with class A	12	IBEW828L	\$34.58	\$36.11	\$38.79	\$41.37	\$44.22						Hourly	12/13/2025	
50051611	Crafts Helper with hazmat	12	IBEW828X	\$34.70	\$36.23	\$38.91	\$41.49	\$44.34						Hourly	12/13/2025	
50124979	Critical Infrastructure Protection Compliance Specialist Entry Level	F	PAS00490	\$92,788.80										\$122,948.80	Annually	12/13/2025
50124980	Critical Infrastructure Protection Compliance Specialist II	12	PAS00560	\$110,260.80										\$146,099.20	Annually	12/13/2025
50124981	Critical Infrastructure Protection Compliance Specialist Senior Level	12	PAS00620	\$127,857.60										\$169,312.00	Annually	12/13/2025
50051617	Custodian Closed Classification	12	IBEW800G	\$32.91	\$34.38	\$35.96	\$37.62							Hourly	12/13/2025	
50051619	Customer Services Assistant	12	PAS00430	\$80,038.40										\$106,017.60	Annually	12/13/2025
50051620	Field Services Technician	6	OSE0735A	\$42.52	\$43.58	\$44.67	\$45.80	\$46.95	\$48.14	\$49.35	\$50.56	\$51.87		Hourly	12/13/2025	
50051622	Customer Services Representative I	6	OSE0641A	\$30.68	\$31.45	\$32.23	\$33.03	\$33.86						Hourly	12/13/2025	
50051618	Customer Services Representative II	6	OSE0680A	\$32.53	\$33.37	\$34.21	\$35.05	\$35.95	\$36.86	\$37.77	\$38.74	\$39.73		Hourly	12/13/2025	
50092958	Customer Services Supervisor	12	PAS00590	\$118,726.40										\$157,310.40	Annually	12/13/2025
50167103	Cyber Security Engineer Entry	F	PAS00450	\$84,094.40										\$111,342.40	Annually	12/13/2025
50167112	Cybersecurity Engineer Journey	12	PAS00590	\$118,726.40	</											

**2026 SMUD Wage Schedule**  
Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date		
50160223	Director Environmental Safety & Real Estate Services	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50051801	Director Facilities Security & Emergency Operations	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50162575	Director Grid Assets Strategic Services	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50051799	Director Line Assets	N/	MGR0085G	\$222,913.60										\$310,440.00	Annually	12/13/2025	
50137965	Director Marketing and Corporate Communication	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50133151	Director People Services & Strategies	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50151556	Director Planning & Revenue Strategy	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50091575	Director Power Generation	N/	MGR0085G	\$222,913.60										\$310,440.00	Annually	12/13/2025	
50051856	Director Procurement, Warehouse & Fleet	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50124607	Director Reliability Compliance & Coordination	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
60000022	Director Research & Development, Grants & Partnerships	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
61000027	Director Specialized Enterprise Initiatives	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50051819	Director Substation Telecommunications & Metering Assets	N/	MGR0085G	\$222,913.60										\$310,440.00	Annually	12/13/2025	
50166082	Director Sustainable Community Programs	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50145212	Director Transmission Planning & Operations	N/	MGR0085G	\$222,913.60										\$310,440.00	Annually	12/13/2025	
50083424	Director Treasury and Revenue Strategy	N/	MGR0085G	\$222,913.60										\$310,440.00	Annually	12/13/2025	
50160638	Director, Customer & Grid Operations Tech Center	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50123045	Director, DEIB, Learning, & Sustainable Communities	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50051816	Director, Enterprise Systems, Strategy and Governance	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50088304	Director, IT Infrastructure Platform Services	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50131456	Director, Resource & Market Planning and Settlements	N/	MGR0080G	\$196,996.80										\$274,393.60	Annually	12/13/2025	
50140181	Distribution Line Design Supervisor	12	PAS0062T	\$127,857.60											\$186,950.40	Annually	12/13/2025
50051628	Distribution System Operator I	12	IBEW928J	\$71.94	\$73.75	\$75.65	\$77.63	\$79.60	\$81.63	\$83.67	\$85.91	\$88.08		Hourly	12/13/2025		
50051629	Distribution System Operator II	12	IBEW992D	\$92.50											Hourly	12/13/2025	
50051630	Distribution System Specialist	12	PAS0066A	\$141,128.00											\$191,568.00	Annually	12/13/2025
50051624	Document Record Specialist I	6	OSE0615A	\$23.44	\$24.03	\$24.63	\$25.21	\$25.84	\$26.51	\$27.17	\$27.85	\$28.56		Hourly	12/13/2025		
50051625	Document Record Specialist II	6	OSE0634B	\$25.70	\$26.33	\$27.04	\$27.69	\$28.39	\$29.14	\$29.85	\$30.61	\$31.36		Hourly	12/13/2025		
50090307	Document Record Specialist II Confidential	6	CONF634A	\$29.18	\$29.89	\$30.62	\$31.39	\$32.19	\$32.96	\$33.84	\$34.66	\$35.57		Hourly	12/13/2025		
50083194	Drafting Technician I	6	OSE0680A	\$32.53	\$33.37	\$34.21	\$35.05	\$35.95	\$36.86	\$37.77	\$38.74	\$39.73		Hourly	12/13/2025		
50051642	Drafting Technician II	6	OSE0716A	\$38.46	\$39.41	\$40.40	\$41.42	\$42.45	\$43.52	\$44.60	\$45.74	\$46.89		Hourly	12/13/2025		
50115039	Economic & Small Business Development Representative Entry Level	F	PAS0045O	\$84,094.40											\$111,342.40	Annually	12/13/2025
50051822	Economic & Small Business Development Representative II	12	PAS0054O	\$104,956.80											\$138,985.60	Annually	12/13/2025
50051590	Economic & Small Business Development Representative III	12	PAS0059O	\$118,726.40											\$157,310.40	Annually	12/13/2025
50051823	Economic & Small Business Development Supervisor	12	PAS0062B	\$127,857.60											\$177,902.40	Annually	12/13/2025
61000009	Economic Development & Business Growth Specialist I	12	PAS0059O	\$118,726.40											\$157,310.40	Annually	12/13/2025
50170332	Economic Development & Business Growth Specialist II	N/	PAS0066O	\$141,128.00											\$186,929.60	Annually	12/13/2025
50137576	Economic Development and Business Growth Manager	N/	PAS0072O	\$163,592.00											\$216,736.00	Annually	12/13/2025
50051645	Economic Development Specialist	N/	PAS0066O	\$141,128.00											\$186,929.60	Annually	12/13/2025
50051646	Education Specialist	12	PAS0056O	\$110,260.80											\$146,099.20	Annually	12/13/2025
50140144	Electrical Field Consultant	12	PAS0066O	\$141,128.00											\$186,929.60	Annually	12/13/2025
50051653	Electrical Technician	12	IBEW937E	\$77.42											Hourly	12/13/2025	
50089229	Electrical Technician Apprentice	48	IBEW928B	\$50.25	\$53.25	\$56.12	\$59.02	\$61.95	\$64.88	\$67.73	\$70.65	\$73.54		Hourly	12/13/2025		
50051654	Electrical Technician Apprentice with hazmat	48	IBEW928C	\$51.52	\$54.52	\$57.39	\$60.29	\$63.22	\$66.15	\$69.00	\$72.10	\$74.81		Hourly	12/13/2025		
50092679	Electrical Technician Foreman/Woman Light	12	IBEW970A	\$88.58											Hourly	12/13/2025	
50099277	Electrical Technician Foreman/Woman Light On Call	12	IBEW970Q	\$90.29											Hourly	12/13/2025	
50092739	Electrical Technician Foreman/Woman With class A	12	IBEW970M	\$89.78											Hourly	12/13/2025	
50092740	Electrical Technician Foreman/Woman With hazmat	12	IBEW970N	\$89.90											Hourly	12/13/2025	
50091431	Electrical Technician Subforeman/Woman	12	IBEW937F	\$83.41											Hourly	12/13/2025	
50120394	Electrical Test & Repair Specialist	12	IBEW939A	\$75.62											Hourly	12/13/2025	
50051647	Electrician	12	IBEW916A	\$64.85											Hourly	12/13/2025	
50051648	Electrician Apprentice	48	IBEW880A	\$42.15	\$44.97	\$47.69	\$50.48	\$53.27	\$56.05	\$58.78	\$61.59			Hourly	12/13/2025		
50051649	Electrician Apprentice with class A	48	IBEW880L	\$43.30	\$46.12	\$48.84	\$51.63	\$54.42	\$57.20	\$59.93	\$62.74			Hourly	12/13/2025		
50051650	Electrician Apprentice with hazmat	48	IBEW880X	\$43.42	\$46.24	\$48.96	\$51.7										

## 2026 SMUD Wage Schedule

Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date		
50139957	Enterprise Performance Planning Coordinator Journey	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025	
50158464	Enterprise Risk Coordinator	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025	
50126639	Enterprise Technology Analyst Intermediate	F	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025	
50083607	Enterprise Technology Analyst Journey	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025	
50138868	Enterprise Technology Developer Intermediate	F	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025	
50083823	Enterprise Technology Developer Journey	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025	
50138415	Enterprise Technology Infrastructure Specialist Entry Level	F	PAS0045O	\$84,094.40										\$111,342.40	Annually	12/13/2025	
50138421	Enterprise Technology Infrastructure Specialist Intermediate	F	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025	
50138422	Enterprise Technology Infrastructure Specialist Journey	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025	
50051936	Environmental Health & Safety Specialist I	F	PAS0049O	\$92,788.80										\$122,948.80	Annually	12/13/2025	
50051937	Environmental Health & Safety Specialist II	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025	
50051938	Environmental Health & Safety Specialist III	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025	
50051659	Equipment Operator	12	IBEW858L	\$50.82											Hourly	12/13/2025	
50051660	Equipment Operator with class A	12	IBEW864A	\$51.97											Hourly	12/13/2025	
50051661	Equipment Operator with hazmat	12	IBEW864X	\$52.09											Hourly	12/13/2025	
50051662	Equipment Testing Representative	6	OSE0735B	\$42.53	\$43.58	\$44.67	\$45.75	\$46.92	\$48.07	\$49.31	\$50.55	\$51.84			Hourly	12/13/2025	
50083197	Equipment Testing Representative Assistant	6	OSE0695A	\$34.92	\$35.81	\$36.65	\$37.60	\$38.53	\$39.46	\$40.48	\$41.51	\$42.53			Hourly	12/13/2025	
50088756	Executive Advisor	N/	EXECU01E	\$311,792.00										\$510,182.40	Annually	12/13/2025	
50092751	Executive Assistant Executive Office	N/	PAS0051O	\$97,468.80										\$129,168.00	Annually	12/13/2025	
50131624	Facilities Building & Grounds Supervisor	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025	
50113660	Facilities Craft Supervisor	12	PAS0066O	\$136,364.80										\$180,606.40	Annually	1/25/2025	
50113660	Facilities Craft Supervisor	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025	
50099209	Facilities Custodian	12	IBEW792A	\$25.64	\$27.58	\$29.80	\$32.07								Hourly	12/13/2025	
50051842	Facilities Electrical Foreman/Woman Light with class A	12	IBEW941L	\$75.38											Hourly	12/13/2025	
50117605	Facilities Electrician Foreman/Woman Light	12	IBEW941M	\$74.23											Hourly	12/13/2025	
50159122	Facilities Stationary Engineer Apprentice	12	IBEW851J	\$34.48	\$36.48	\$38.44	\$40.44	\$42.42	\$44.41	\$46.41	\$48.38	\$50.41			Hourly	12/13/2025	
50159123	Facilities Stationary Engineer Apprentice Closed Classification	12	IBEW879F	\$40.57	\$42.92	\$45.24	\$47.61	\$49.93	\$52.28	\$54.63	\$56.94	\$59.31			Hourly	12/13/2025	
50159124	Facilities Stationary Engineer Foremen/Woman Light	12	IBEW937G	\$71.40											Hourly	12/13/2025	
50159225	Facilities Stationary Engineer I	12	IBEW872G	\$53.05											Hourly	12/13/2025	
50159226	Facilities Stationary Engineer II	12	IBEW908A	\$62.42											Hourly	12/13/2025	
50052152	Facilities Utility Crew Foreman/Woman	12	IBEW919M	\$47.46											Hourly	12/13/2025	
50168952	Facilities Utility Crew Foreman/Woman Closed Classification	12	IBEW863M	\$55.27											Hourly	12/13/2025	
50168954	Facilities Utility Crew Foreman/Woman with hazmat	12	IBEW919N	\$48.73											Hourly	12/13/2025	
50168953	Facilities Utility Crew Foreman/Woman with hazmat Closed Classification	12	IBEW863N	\$56.54											Hourly	12/13/2025	
50093182	Fault Locator	12	IBEW941H	\$75.58											Hourly	12/13/2025	
50093183	Fault Locator with class A	12	IBEW941J	\$76.73											Hourly	12/13/2025	
50101800	Field Support Technician with class A	12	IBEW888C	\$53.93	\$55.28	\$56.68	\$58.06								Hourly	12/13/2025	
50083165	Financial Analyst Entry Level	F	PAS0043O	\$80,038.40											\$106,017.60	Annually	12/13/2025
50051681	Financial Analyst Journey Level	12	PAS0052O	\$99,923.20											\$132,350.40	Annually	12/13/2025
50051683	Financing Specialist Closed Classification	12	PAS0049O	\$92,788.80											\$122,948.80	Annually	12/13/2025
50083479	Fire Protection & Loss Control Specialist	12	PAS0054O	\$104,956.80											\$138,985.60	Annually	12/13/2025
50111032	Fleet Asset Coordinator	12	PAS0052O	\$99,923.20											\$132,350.40	Annually	12/13/2025
50111036	Fleet Maintenance Scheduler	12	PAS0052O	\$99,923.20											\$132,350.40	Annually	12/13/2025
50160529	Fleet Maintenance Supervisor	12	PAS0056C	\$110,260.80											\$157,310.40	Annually	12/13/2025
50051686	Forms Assistant	6	OSE0660A	\$29.43	\$30.12	\$30.90	\$31.66	\$32.43	\$33.22	\$34.05	\$34.92	\$35.81			Hourly	12/13/2025	
50051687	Forms Technician	6	OSE0670D	\$30.90	\$31.66	\$32.43	\$33.22	\$34.05	\$34.92	\$35.81	\$36.65	\$37.60			Hourly	12/13/2025	
50154335	Gardener	12	IBEW877J	\$38.99	\$39.98	\$40.81									Hourly	12/13/2025	
50051700	Gardener Closed Classification	12	IBEW848G	\$45.61	\$46.75	\$47.69									Hourly	12/13/2025	
50154336	Gardener with class A	12	IBEW877K	\$40.14	\$41.13	\$41.96									Hourly	12/13/2025	
50051701	Gardener with class A Closed Classification	12	IBEW848L	\$46.76	\$47.90	\$48.84									Hourly	12/13/2025	
50154337	Gardener with hazmat	12	IBEW877L	\$40.26	\$41.25	\$42.08									Hourly	12/13/2025	
50051702	Gardener with hazmat Closed Classification	12	IBEW848X	\$46.88	\$48.02	\$48.96									Hourly	12/13/2025	
50097100	Gas Control Technician	12	IBEW924A	\$67.47											Hourly	12/13/2025	
50124993	Gas Control Technician Apprentice	48	IBEW912E	\$43.98	\$46.88	\$49.79	\$52.68	\$55.60	\$58.46	\$61.37	\$64.26				Hourly	12/13/2025	
50113669	Gas Control Technician with class A	12	IBEW924L	\$68.62											Hourly	12/13/2025	
50051690	Gas Pipeline Fieldperson	12	IBEW873G	\$48.95	\$49.98	\$51.40	\$52.71	\$53.70							Hourly	12/13/2025</td	

N/ designates non-civil service jobs

F designates non-journey nonrepresented flex jobs

# **2026 SMUD Wage Schedule**

Effective 12/13/2025

N/ designates non-civil service jobs

F designates non-journey nonrepresented flex jobs

## 2026 SMUD Wage Schedule

Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date		
50083229	Land Specialist Entry	F	PAS0043B	\$80,038.40										\$111,342.40	Annually	12/13/2025	
50051758	Land Specialist Journey	12	PAS0052B	\$99,923.20										\$138,985.60	Annually	12/13/2025	
50126010	Land Surveyor	12	PAS00560	\$110,260.80										\$146,099.20	Annually	12/13/2025	
50051756	Law Clerk		CONF300A	\$36.32	\$37.20	\$38.15									Hourly	12/13/2025	
50162418	Lead Distribution System Operator	12	IBEW984D	\$97.13											Hourly	12/13/2025	
50101752	Lead Office Technician	6	OSE0688A	\$33.98	\$34.83	\$35.69	\$36.61	\$37.49	\$38.44	\$39.41	\$40.40	\$41.41		Hourly	12/13/2025		
50119427	Lead Office Technician Confidential	6	CONF688A	\$37.92	\$38.87	\$39.87	\$40.85	\$41.87	\$42.93	\$44.02	\$45.07	\$46.23		Hourly	12/13/2025		
61000002	Lead Telecomm Technician	12	IBEW933A	\$78.56											Hourly	12/13/2025	
50051760	Lead Tool Repairer	12	IBEW922I	\$67.21											Hourly	12/13/2025	
50165758	Lead Utility Compliance Specialist	12	IBEW828K	\$49.10											Hourly	12/13/2025	
50154184	Lead Vehicle Mechanic	12	IBEW888D	\$56.43											Hourly	12/13/2025	
50051761	Lead Vehicle Mechanic Closed Classification	12	IBEW904B	\$61.53											Hourly	12/13/2025	
50154185	Lead Vehicle Mechanic with class A	12	IBEW888F	\$57.58											Hourly	12/13/2025	
50051762	Lead Vehicle Mechanic with class A Closed Classification	12	IBEW909D	\$62.68											Hourly	12/13/2025	
50154186	Lead Vehicle Mechanic with hazmat	12	IBEW888H	\$57.70											Hourly	12/13/2025	
50051763	Lead Vehicle Mechanic with hazmat Closed Classification	12	IBEW909X	\$62.80											Hourly	12/13/2025	
50164311	Lead Vehicle Mechanic with hazmat Fresh Pond	12	IBEW904A	\$61.53											Hourly	12/13/2025	
50164525	Lead Vehicle Mechanic with hazmat Fresh Pond Closed Classification	12	IBEW922A	\$67.11											Hourly	12/13/2025	
50160076	Learning and Development Specialist Entry Level	F	PAS00450	\$84,094.40											\$111,342.40	Annually	12/13/2025
50160077	Learning and Development Specialist Journey	12	PAS00540	\$104,956.80											\$138,985.60	Annually	12/13/2025
50169820	Legal Analyst	12	PAS00520	\$99,923.20											\$132,350.40	Annually	12/13/2025
50090306	Legal Assistant Confidential	6	CONF706A	\$40.53	\$41.53	\$42.61	\$43.72	\$44.83	\$45.96	\$47.15	\$48.34	\$49.60			Hourly	12/13/2025	
50133108	Legislative & Regulatory Coordinator Closed Classification	12	PAS00720	\$163,592.00											\$216,736.00	Annually	12/13/2025
50153089	Legislative & Regulatory Program Manager	N/	PAS00690	\$151,944.00											\$201,240.00	Annually	12/13/2025
50083472	Line Construction Foreman/Woman	12	IBEW976D	\$95.01												Hourly	12/13/2025
50083473	Line Construction Foreman/Woman with class A	12	IBEW976C	\$96.16												Hourly	12/13/2025
50083474	Line Construction Foreman/Woman with hazmat	12	IBEW976X	\$96.28												Hourly	12/13/2025
50154187	Line Equipment Operator Assistant with class A	12	IBEW795A	\$30.21	\$31.50	\$33.84	\$36.08	\$38.60								Hourly	12/13/2025
50128409	Line Equipment Operator Assistant with class A Closed Classification	12	IBEW830L	\$35.86	\$37.45	\$40.24	\$42.92	\$45.82								Hourly	12/13/2025
50154188	Line Equipment Operator with class A	12	IBEW862D	\$60.64												Hourly	12/13/2025
50106535	Line Equipment Operator with class A Closed Classification	12	IBEW898B	\$60.64												Hourly	12/13/2025
50169850	Line Equipment Operator with Crane and class A	12	IBEW862G	\$61.59												Hourly	12/13/2025
50169884	Line Equipment Operator with Crane and class A Closed Classification	12	IBEW898D	\$61.59												Hourly	12/13/2025
50169852	Line Equipment Operator with Crane and hazmat	12	IBEW862F	\$61.71												Hourly	12/13/2025
50154140	Line Equipment Operator with hazmat	12	IBEW862E	\$60.76												Hourly	12/13/2025
50108451	Line Equipment Operator with hazmat Closed Classification	12	IBEW862H	\$60.76												Hourly	12/13/2025
50051767	Line Foreman/Woman Light	12	IBEW965R	\$89.26												Hourly	12/13/2025
50051768	Line Foreman/Woman Light with class A	12	IBEW965C	\$90.41												Hourly	12/13/2025
50142318	Line Inspector I	12	IBEW933A	\$78.56												Hourly	12/13/2025
50156652	Line Inspector I with class A	12	IBEW933C	\$79.70												Hourly	12/13/2025
50108831	Line Inspector II	12	IBEW941R	\$83.89												Hourly	12/13/2025
50114932	Line Inspector II with class A	12	IBEW941D	\$85.04												Hourly	12/13/2025
50051770	Line Sub Foreman/Woman	12	IBEW941R	\$83.89												Hourly	12/13/2025
50051771	Line Sub Foreman/Woman with class A	12	IBEW941D	\$85.04												Hourly	12/13/2025
50083463	Lineman/Woman	12	IBEW933A	\$78.56												Hourly	12/13/2025
50083460	Lineman/Woman Apprentice	49	IBEW922R	\$51.08	\$54.44	\$57.80	\$61.18	\$64.50	\$67.89	\$71.27	\$74.64				Hourly	12/13/2025	
50083461	Lineman/Woman Apprentice with class A	49	IBEW922C	\$52.23	\$55.59	\$58.95	\$62.33	\$65.65	\$69.04	\$72.42	\$75.79				Hourly	12/13/2025	
50083462	Lineman/Woman Apprentice with hazmat	49	IBEW922Z	\$52.35	\$55.71	\$59.07	\$62.45	\$65.77	\$69.16	\$72.54	\$75.91				Hourly	12/13/2025	
50083464	Lineman/Woman with class A	12	IBEW933C	\$79.70												Hourly	12/13/2025
50083465	Lineman/Woman with hazmat	12	IBEW933X	\$79.82												Hourly	12/13/2025
50136767	Lineman/Woman with helicopter	12	IBEW933Y	\$82.49												Hourly	12/13/2025
50154416	Maintenance Carpenter	12	IBEW865A	\$53.05												Hourly	12/13/2025
50154417	Maintenance Carpenter Apprentice	48	IBEW851E	\$33.89	\$35.85	\$37.81	\$39.77	\$41.70	\$43.66	\$45.65	\$47.59	\$49.56				Hourly	12/13/2025
50083233	Maintenance Carpenter Apprentice Close Classification	48	IBEW879F	\$40.57	\$42.92	\$45.24	\$47.61	\$49.93	\$52.28	\$54.63	\$56.94	\$59.31				Hourly	12/13/2025
50051805	Maintenance Carpenter Closed Classification	12	IBEW908A	\$62.42												Hourly	12/13/2025
50154459	Maintenance Carpenter Foreman/Woman Light	12	IBEW901K	\$59.66												Hourly	12/13/2025
50115406	Maintenance Carpenter Foreman/Woman Light Closed Classification	12	IBEW937G	\$71.40												Hourly	12/13/2025
50154460	M																

N/ designates non-civil service jobs

F designates non-journey nonrepresented flex jobs

**2026 SMUD Wage Schedule**  
Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date
61000004	Manager Compensation, Classification & Performance	N/	PAS0069O	\$151,944.00									\$201,240.00	Annually	12/13/2025
50126108	Manager Corporate Communications	12	PAS0066O	\$141,128.00									\$186,929.60	Annually	12/13/2025
50163673	Manager Customer Delivery	12	PAS0071O	\$159,577.60									\$211,473.60	Annually	12/13/2025
50160766	Manager Customer Experience Planning	12	PAS0069O	\$151,944.00									\$201,240.00	Annually	12/13/2025
61000043	Manager Customer Experience Planning & Integration	12	PAS0069O	\$146,806.40									\$194,438.40	Annually	7/31/2025
61000043	Manager Customer Experience Planning & Integration	12	PAS0069O	\$151,944.00									\$201,240.00	Annually	12/13/2025
50091780	Manager Customer Experience Strategy	12	PAS0066B	\$141,128.00									\$196,352.00	Annually	12/13/2025
50092302	Manager Customer Operations	12	PAS0064O	\$134,305.60									\$177,902.40	Annually	12/13/2025
50167926	Manager Customer Strategy & Operations	12	PAS0066O	\$141,128.00									\$186,929.60	Annually	12/13/2025
50160085	Manager Cybersecurity	12	PAS0066F	\$141,128.00									\$216,736.00	Annually	12/13/2025
50159037	Manager Digital User Experience	12	PAS0062D	\$127,857.60									\$186,950.40	Annually	12/13/2025
50131011	Manager Distributed Energy Strategy	12	PAS0075O	\$175,531.20									\$232,606.40	Annually	12/13/2025
50131011	Manager Distributed Energy Strategy	12	PAS0075O	\$169,603.20									\$224,744.00	Annually	10/18/2025
50162683	Manager Distributed Generation Interconnections	12	PAS0071O	\$159,577.60									\$211,473.60	Annually	12/13/2025
50160208	Manager Distribution Operations Engineering	12	PAS0076O	\$179,961.60									\$238,430.40	Annually	12/13/2025
50160208	Manager Distribution Operations Engineering	12	PAS0076O	\$173,867.20									\$230,360.00	Annually	10/18/2025
50110255	Manager Distribution Planning	12	PAS0076O	\$179,961.60									\$238,430.40	Annually	12/13/2025
50110255	Manager Distribution Planning	12	PAS0076O	\$173,867.20									\$230,360.00	Annually	10/18/2025
50140139	Manager Distribution System Operations	12	PAS0072L	\$163,592.00									\$274,705.60	Annually	12/13/2025
50165511	Manager Economic Development & Partnership	N/	PAS0072O	\$163,592.00									\$216,736.00	Annually	12/13/2025
50088581	Manager Electric Transportation	12	PAS0066O	\$141,128.00									\$186,929.60	Annually	12/13/2025
50126016	Manager Electric Design & Standards	12	PAS0072O	\$163,592.00									\$216,736.00	Annually	12/13/2025
50125294	Manager Emerging Technology	12	PAS0069O	\$151,944.00									\$201,240.00	Annually	12/13/2025
50135736	Manager Employee Relations	N/	PAS0069O	\$151,944.00									\$201,240.00	Annually	12/13/2025
50051979	Manager Energy Management System	12	PAS0076O	\$179,961.60									\$238,430.40	Annually	12/13/2025
50051979	Manager Energy Management System	12	PAS0076O	\$173,867.20									\$230,360.00	Annually	10/18/2025
50087975	Manager Energy Trading & Contracts	12	PAS0072O	\$163,592.00									\$216,736.00	Annually	12/13/2025
50067469	Manager Engineering	12	PAS0076O	\$179,961.60									\$238,430.40	Annually	12/13/2025
50067469	Manager Engineering	12	PAS0076O	\$173,867.20									\$230,360.00	Annually	10/18/2025
50134551	Manager Enterprise Performance	12	PAS0072O	\$163,592.00									\$216,736.00	Annually	12/13/2025
50143384	Manager Environmental Regulations	N/	PAS0072O	\$163,592.00									\$216,736.00	Annually	12/13/2025
50100183	Manager Executive Office	N/	PAS0059O	\$118,726.40									\$157,310.40	Annually	12/13/2025
50051679	Manager Facilities Management	12	PAS0071O	\$159,577.60									\$211,473.60	Annually	12/13/2025
50051982	Manager Field Metering	12	PAS0062B	\$127,857.60									\$177,902.40	Annually	12/13/2025
50158550	Manager Finance & Treasury	12	PAS0066C	\$141,128.00									\$201,240.00	Annually	12/13/2025
50051627	Manager Finance Planning & Analytics	12	PAS0069O	\$151,944.00									\$201,240.00	Annually	12/13/2025
50138557	Manager Fleet Operations	12	PAS0062D	\$127,857.60									\$186,950.40	Annually	12/13/2025
50051948	Manager Gas Pipeline Assets	12	PAS0069H	\$151,944.00									\$210,246.40	Annually	12/13/2025
50083431	Manager Generation Maintenance	12	PAS0069I	\$151,944.00									\$231,961.60	Annually	12/13/2025
50135285	Manager Grid Planning	12	PAS0076O	\$179,961.60									\$238,430.40	Annually	12/13/2025
50135285	Manager Grid Planning	12	PAS0076O	\$173,867.20									\$230,360.00	Annually	10/18/2025
50051950	Manager Hydro Generation Assets	12	PAS0076O	\$179,961.60									\$238,430.40	Annually	12/13/2025
50051950	Manager Hydro Generation Assets	12	PAS0076O	\$173,867.20									\$230,360.00	Annually	10/18/2025
50159325	Manager Information Technology	12	PAS0066C	\$141,128.00									\$201,240.00	Annually	12/13/2025
50164000	Manager Information Technology Strategy Planning & Governance	12	PAS0071O	\$159,577.60									\$211,473.60	Annually	12/13/2025
50088129	Manager Innovation	N/	PAS0066C	\$141,128.00									\$201,240.00	Annually	12/13/2025
50169499	Manager Learning & Development	12	PAS0069O	\$151,944.00									\$201,240.00	Annually	12/13/2025
50140133	Manager Line Design	12	PAS0072O	\$163,592.00									\$216,736.00	Annually	12/13/2025
50051996	Manager Market Research	12	PAS0069O	\$151,944.00									\$201,240.00	Annually	12/13/2025
50102606	Manager Market Strategy	12	PAS0071O	\$159,577.60									\$211,473.60	Annually	12/13/2025
50139366	Manager Occupational Health & Safety	N/	PAS0071O	\$159,577.60									\$211,473.60	Annually	12/13/2025
50166592	Manager of Enterprise Change & Organizational Effectiveness	N/	PAS0069O	\$151,944.00									\$201,240.00	Annually	12/13/2025
50119766	Manager of Enterprise Prioritization & Performance	12	PAS0071O	\$159,577.60									\$211,473.60	Annually	12/13/2025
61000000	Manager of Enterprise Strategy & Risk	12	PAS0071O	\$159,577.60									\$211,473.60	Annually	12/13/2025
50164469	Manager Operational Excellence	12	PAS0071O	\$159,577.60									\$211,473.60	Annually	12/13/2025
50169490	Manager Operational Project Management Office	12	PAS0069O	\$151,944.00									\$201,240.00	Annually	12/13/2025
50166428	Manager Operational Technology Network Engineering	N/													

# 026 SMUD Wage Schedule

Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date	
50126110	Manager Transmission & Distribution Line Construction & Maintenance	12	PAS0072L	\$163,592.00										\$274,705.60	Annually	12/13/2025
50140141	Manager Transmission & Distribution Maintenance Planning	12	PAS0076O	\$179,961.60										\$238,430.40	Annually	12/13/2025
50140141	Manager Transmission & Distribution Maintenance Planning	12	PAS0076O	\$173,867.20										\$230,360.00	Annually	10/18/2025
61000040	Manager Transmission Interconnections	12	PAS0072O	\$158,059.20										\$209,414.40	Annually	7/7/2025
61000040	Manager Transmission Interconnections	12	PAS0072O	\$163,592.00										\$216,736.00	Annually	12/13/2025
50110257	Manager Vegetation Management	12	PAS0069C	\$151,944.00										\$216,736.00	Annually	12/13/2025
50051783	Manager Warehouse Operations	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025
50099975	Manager, Advanced Renewable and Distributed Generation Technologies	12	PAS0075O	\$175,531.20										\$232,606.40	Annually	12/13/2025
50099975	Manager, Advanced Renewable and Distributed Generation Technologies	12	PAS0075O	\$169,603.20										\$224,744.00	Annually	10/18/2025
50051732	Manager, Renewable Project Development	12	PAS0076O	\$179,961.60										\$238,430.40	Annually	12/13/2025
50051732	Manager, Renewable Project Development	12	PAS0076O	\$173,867.20										\$230,360.00	Annually	10/18/2025
50051786	Mapper	6	OSE0685A	\$33.22	\$34.05	\$34.92	\$35.81	\$36.65	\$37.60	\$38.53	\$39.46	\$40.48		Hourly	12/13/2025	
50168117	Market Analyst Entry	F	PAS0047O	\$88,379.20										\$116,979.20	Annually	12/13/2025
50168205	Market Analyst Journey	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025
50083901	Market Research Specialist Journey	12	PAS0052O	\$99,923.20										\$132,350.40	Annually	12/13/2025
50163624	Market Research Supervisor	12	PAS0062B	\$127,857.60										\$177,902.40	Annually	12/13/2025
50102302	Market Risk Specialist Entry	F	PAS0047O	\$85,384.00										\$113,027.20	Annually	9/10/2025
50102302	Market Risk Specialist Entry	F	PAS0047O	\$88,379.20										\$116,979.20	Annually	12/13/2025
50102301	Market Risk Specialist Journey Level	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025
50137998	Marketing Specialist Entry Level	F	PAS0045O	\$84,094.40										\$111,342.40	Annually	12/13/2025
50051546	Marketing Specialist II	12	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025
50163622	Marketing Specialist Supervisor	12	PAS0059C	\$118,726.40										\$169,312.00	Annually	12/13/2025
50083235	Material Parts Clerk	6	OSE0680B	\$32.43	\$33.22	\$34.05	\$34.92	\$35.81	\$36.65	\$37.60	\$38.54	\$39.47		Hourly	12/13/2025	
50169996	Material Planner Coordinator Entry Level	F	PAS0043O	\$80,038.40										\$106,017.60	Annually	12/13/2025
50051790	Material Planner/Coordinator Journey Level	12	PAS0052O	\$99,923.20										\$132,350.40	Annually	12/13/2025
50154399	Material Specialist I	12	IBEW793F	\$27.90	\$32.17	\$36.47	\$40.76								Hourly	12/13/2025
50099003	Material Specialist I Closed Classification	12	IBEW851N	\$33.34	\$38.44	\$43.55	\$48.69								Hourly	12/13/2025
50154525	Material Specialist I with class A	12	IBEW793A	\$29.05	\$33.32	\$37.62	\$41.91								Hourly	12/13/2025
50099004	Material Specialist I with class A Closed Classification	12	IBEW851C	\$34.49	\$39.59	\$44.70	\$49.84								Hourly	12/13/2025
50154527	Material Specialist I with Crane and class A	12	IBEW793D	\$30.00	\$34.27	\$38.57	\$42.86								Hourly	12/13/2025
50099007	Material Specialist I with Crane and class A Closed Classification	12	IBEW851A	\$35.44	\$40.54	\$45.65	\$50.79								Hourly	12/13/2025
50154528	Material Specialist I with crane and hazmat	12	IBEW793E	\$30.12	\$34.39	\$38.69	\$42.98								Hourly	12/13/2025
50099008	Material Specialist I with crane and hazmat Closed Classification	12	IBEW851B	\$35.56	\$40.66	\$45.77	\$50.91								Hourly	12/13/2025
50154529	Material Specialist I with hazmat	12	IBEW793B	\$29.17	\$33.44	\$37.74	\$42.03								Hourly	12/13/2025
50099005	Material Specialist I with hazmat Closed Classification	12	IBEW851H	\$34.61	\$39.71	\$44.82	\$49.96								Hourly	12/13/2025
50154530	Material Specialist II	12	IBEW912D	\$42.88											Hourly	12/13/2025
50154478	Material Specialist II with class A	12	IBEW912F	\$44.03											Hourly	12/13/2025
50051787	Material Specialist II Closed Classification	12	IBEW862I	\$51.24											Hourly	12/13/2025
50051788	Material Specialist II with class A Closed Classification	12	IBEW862C	\$52.39											Hourly	12/13/2025
50154480	Material Specialist II with Crane and class A	12	IBEW912P	\$44.98											Hourly	12/13/2025
50099011	Material Specialist II with Crane and class A Closed Classification	12	IBEW862A	\$53.34											Hourly	12/13/2025
50154481	Material Specialist II with crane and hazmat	12	IBEW912R	\$45.10											Hourly	12/13/2025
50099012	Material Specialist II with crane and hazmat Closed Classification	12	IBEW862B	\$53.46											Hourly	12/13/2025
50154482	Material Specialist II with hazmat	12	IBEW912H	\$44.15											Hourly	12/13/2025
50083234	Material Specialist II with hazmat Closed Classification	12	IBEW862X	\$52.51											Hourly	12/13/2025
50154483	Material Specialist III	12	IBEW928D	\$55.97											Hourly	12/13/2025
50052074	Material Specialist III Closed Classification	12	IBEW878L	\$55.97											Hourly	12/13/2025
50154484	Material Specialist III with class A	12	IBEW928G	\$57.12											Hourly	12/13/2025
50052075	Material Specialist III with class A Closed Classification	12	IBEW879A	\$57.12											Hourly	12/13/2025
50154486	Material Specialist III with Crane and class A	12	IBEW928L	\$58.07											Hourly	12/13/2025
50099013	Material Specialist III with Crane and class A Closed Classification	12	IBEW879D	\$58.07											Hourly	12/13/2025
50154487	Material Specialist III with crane and hazmat	12	IBEW928M	\$58.19											Hourly	12/13/2025
50099014	Material Specialist III with crane and hazmat Closed Classification	12	IBEW898A	\$58.19											Hourly	12/13/2025
50154488	Material Specialist III with hazmat	12	IBEW928H	\$57.24											Hourly	12/13/2025
50052076	Material Specialist III with hazmat Closed Classification	12	IBEW879B	\$57.24											Hourly	12/13/2025
50154489	Material Specialist IV	12	IBEW858B	\$59.49											Hourly	12/13/2025
50052170	Material Specialist IV Closed Classification	12	IBEW893F	\$59.49											Hourly	12/13/2025
50154490	Material Specialist IV with class A	12	IBEW858H	\$60.64												

N/ designates non-civil service jobs

F designates non-journey nonrepresented flex jobs

# 2026 SMUD Wage Schedule

Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date	
50051846	Office Assistant		OSE0548A	\$17.00	\$17.48	\$17.99	\$18.54	\$19.09	\$19.67	\$20.26	\$20.86	\$21.48		Hourly	12/13/2025	
50051847	Office Specialist I	6	OSE0615A	\$23.44	\$24.03	\$24.63	\$25.21	\$25.84	\$26.51	\$27.17	\$27.85	\$28.56		Hourly	12/13/2025	
61000042	Office Specialist I Confidential	6	CONF615A	\$25.26	\$25.89	\$26.54	\$27.17	\$27.85	\$28.57	\$29.28	\$30.01	\$30.78		Hourly	7/21/2025	
61000042	Office Specialist I Confidential	6	CONF615A	\$26.14	\$26.80	\$27.47	\$28.12	\$28.82	\$29.57	\$30.30	\$31.06	\$31.86		Hourly	12/13/2025	
50051848	Office Specialist II	6	OSE0647A	\$28.06	\$28.78	\$29.50	\$30.24	\$31.00	\$31.78	\$32.60	\$33.39	\$34.24		Hourly	12/13/2025	
50122178	Office Specialist II Confidential	6	CONF647A	\$31.31	\$32.10	\$32.89	\$33.74	\$34.58	\$35.44	\$36.34	\$37.24	\$38.19		Hourly	12/13/2025	
50051849	Office Technician	6	OSE0672A	\$31.11	\$31.89	\$32.71	\$33.53	\$34.31	\$35.23	\$36.04	\$36.97	\$37.90		Hourly	12/13/2025	
50085707	Office Technician Confidential	6	CONF672A	\$35.21	\$36.07	\$37.01	\$37.92	\$39.23	\$39.88	\$40.88	\$41.87	\$42.94		Hourly	12/13/2025	
50051851	Operations Support Supervisor	12	PAS00520	\$99,923.20										\$132,350.40	Annually	12/13/2025
50125954	Organization Effectiveness Specialist Entry Level	F	PAS00470	\$88,379.20										\$116,979.20	Annually	12/13/2025
50125953	Organization Effectiveness Specialist Journey Level	12	PAS00560	\$110,260.80										\$146,099.20	Annually	12/13/2025
50155433	Paralegal Confidential	6	CONF735A	\$43.61	\$44.69	\$45.83	\$46.96	\$48.14	\$49.34	\$50.58	\$51.83	\$53.13		Hourly	12/13/2025	
50092672	Payroll Technician Confidential	6	CONF702A	\$38.96	\$39.94	\$40.98	\$42.04	\$43.12	\$44.17	\$45.34	\$46.49	\$47.68		Hourly	12/13/2025	
50051857	Physical Network Specialist Closed Classification	12	PAS00540	\$104,956.80										\$138,985.60	Annually	12/13/2025
50159569	Physical Security Program Manager	12	PAS00640	\$134,305.60										\$177,902.40	Annually	12/13/2025
50051860	Plant Mechanic	12	IBEW908A	\$62.42											Hourly	12/13/2025
50083241	Plant Mechanic Apprentice	48	IBEW879E	\$40.57	\$43.25	\$45.94	\$48.61	\$51.27	\$53.95	\$56.62	\$59.31				Hourly	12/13/2025
50083242	Plant Mechanic Apprentice with class A	48	IBEW879H	\$41.72	\$44.44	\$47.13	\$49.80	\$52.45	\$55.13	\$57.81	\$60.50				Hourly	12/13/2025
50051861	Plant Mechanic Apprentice with hazmat	48	IBEW874X	\$41.84	\$44.57	\$47.25	\$49.91	\$52.60	\$55.26	\$57.93	\$60.62				Hourly	12/13/2025
50100942	Plant Mechanic Welder	12	IBEW920A	\$66.34											Hourly	12/13/2025
50051862	Plant Mechanic with class A	12	IBEW908L	\$63.57											Hourly	12/13/2025
50083240	Plant Mechanic with hazmat	12	IBEW908X	\$63.69											Hourly	12/13/2025
50083244	Power Contracts Specialist Entry Level	F	PAS00490	\$92,788.80										\$122,948.80	Annually	12/13/2025
50161142	Power Contracts Specialist Intermediate Level	F	PAS00540	\$104,956.80										\$138,985.60	Annually	12/13/2025
50067464	Power Contracts Specialist Journey	12	PAS00590	\$118,726.40										\$157,310.40	Annually	12/13/2025
50139834	Power Generation Asset Supervisor	12	PAS0062I	\$127,857.60										\$200,262.40	Annually	12/13/2025
50051904	Power Quality Technician	6	OSE0760A	\$48.07	\$49.31	\$50.54	\$51.83	\$53.09	\$54.44	\$55.78	\$57.20	\$58.63		Hourly	12/13/2025	
50088326	Power System Analyst Entry	F	PAS00470	\$88,379.20										\$116,979.20	Annually	12/13/2025
50051905	Power System Analyst Journey	12	PAS00560	\$110,260.80										\$146,099.20	Annually	12/13/2025
50154574	Power System Operator I	F	IBEW980A	\$79.55	\$81.53	\$83.62	\$85.70	\$87.85	\$90.05	\$92.28	\$94.62	\$96.98			Hourly	12/13/2025
50154600	Power System Operator II	12	IBEW986A	\$101.80											Hourly	12/13/2025
50162139	Power System Operator Instructor I	F	PAS00620	\$127,857.60										\$169,312.00	Annually	12/13/2025
50127179	Power System Operator Instructor II	12	PAS00690	\$151,944.00										\$201,240.00	Annually	12/13/2025
50051888	Pre-Apprentice Lineman/Woman	0	IBEW830A	\$34.71	\$36.30	\$39.09	\$41.77	\$44.67							Hourly	12/13/2025
50051889	Pre-Apprentice Lineman/Woman with class A	0	IBEW830L	\$35.86	\$37.45	\$40.24	\$42.92	\$45.82							Hourly	12/13/2025
50051890	Pre-Apprentice Lineman/Woman with hazmat	0	IBEW830X	\$35.98	\$37.57	\$40.36	\$43.04	\$45.94							Hourly	12/13/2025
50051899	Press Operator	6	OSE0685A	\$33.22	\$34.05	\$34.92	\$35.81	\$36.65	\$37.60	\$38.53	\$39.46	\$40.48		Hourly	12/13/2025	
50051863	Principal Architect	12	PAS00690	\$151,944.00										\$201,240.00	Annually	12/13/2025
50051865	Principal Civil Engineer	12	PAS00690	\$151,944.00										\$201,240.00	Annually	12/13/2025
50167212	Principal Cybersecurity Engineer	12	PAS0066C	\$141,128.00										\$201,240.00	Annually	12/13/2025
50167113	Principal Cybersecurity Governance & Compliance Specialist	12	PAS0066C	\$141,128.00										\$201,240.00	Annually	12/13/2025
50167115	Principal Cybersecurity Risk Specialist	12	PAS0066C	\$141,128.00										\$201,240.00	Annually	12/13/2025
50170618	Principal Dam Safety Engineer	12	PAS00710	\$159,577.60										\$211,473.60	Annually	12/13/2025
50051866	Principal Distribution Design Engineer	12	PAS00730	\$167,148.80										\$221,374.40	Annually	12/13/2025
50051866	Principal Distribution Design Engineer	12	PAS00730	\$161,491.20										\$213,886.40	Annually	10/18/2025
61000012	Principal Distribution Operations Engineer	12	PAS00730	\$167,148.80										\$221,374.40	Annually	12/13/2025
61000012	Principal Distribution Operations Engineer	12	PAS00730	\$161,491.20										\$213,886.40	Annually	10/18/2025
50051867	Principal Distribution System Engineer	12	PAS00730	\$167,148.80										\$221,374.40	Annually	12/13/2025
50051867	Principal Distribution System Engineer	12	PAS00730	\$161,491.20										\$213,886.40	Annually	10/18/2025
50051869	Principal Electrical Engineer	12	PAS00730	\$167,148.80										\$221,374.40	Annually	12/13/2025
50051869	Principal Electrical Engineer	12	PAS00730	\$161,491.20										\$213,886.40	Annually	10/18/2025
50166561	Principal Employee Relations Analyst	12	PAS00620	\$127,857.60										\$169,312.00	Annually	12/13/2025
50131800	Principal Energy Advisor	12	PAS00640	\$134,305.60										\$177,902.40	Annually	12/13/2025
50139903	Principal Energy Management System Engineer	12	PAS0073													

N/ designates non-civil service jobs

F designates non-journey nonrepresented flex jobs

# 026 SMUD Wage Schedule

Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date		
50051886	Principal Telecommunications Engineer	12	PAS0073O	\$167,148.80										\$221,374.40	Annually	12/13/2025	
50051886	Principal Telecommunications Engineer	12	PAS0073O	\$161,491.20										\$213,886.40	Annually	10/18/2025	
50051887	Principal Transmission Planning Engineer	12	PAS0073O	\$167,148.80										\$221,374.40	Annually	12/13/2025	
50051887	Principal Transmission Planning Engineer	12	PAS0073O	\$161,491.20										\$213,886.40	Annually	10/18/2025	
50093101	Process Coordinator Commercial Development	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025	
50093077	Process Coordinator Customer Operations	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025	
50083168	Procurement Compliance Program Administrator	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025	
50086500	Procurement Specialist Entry	F	PAS0043O	\$80,038.40										\$106,017.60	Annually	12/13/2025	
50086476	Procurement Specialist Journey	12	PAS0052O	\$99,923.20										\$132,350.40	Annually	12/13/2025	
50083476	Procurement Supervisor	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025	
50095463	Product Services Coordinator	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025	
50051591	Product Services Specialist	12	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025	
50083245	Productivity Analyst Entry	F	PAS0043O	\$80,038.40										\$106,017.60	Annually	12/13/2025	
50051893	Productivity Analyst Journey	12	PAS0052O	\$99,923.20										\$132,350.40	Annually	12/13/2025	
50162852	Program Manager Critical Infrastructure Protection	12	PAS0069O	\$151,944.00										\$201,240.00	Annually	12/13/2025	
50162981	Program Manager Cybersecurity	12	PAS0066C	\$141,128.00										\$201,240.00	Annually	12/13/2025	
50160537	Program Manager Data Governance	12	PAS0062D	\$127,857.60										\$186,950.40	Annually	12/13/2025	
50100228	Program Manager Energy Efficiency and Customer Research and Development	12	PAS0071O	\$159,577.60										\$211,473.60	Annually	12/13/2025	
61000014	Program Manager Enterprise Risk	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025	
50166590	Program Manager Future Workforce	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025	
50170541	Program Manager Innovation	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025	
50139508	Program Manager Local Government	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025	
50153614	Program Manager Regulatory Compliance	12	PAS0069O	\$151,944.00										\$201,240.00	Annually	12/13/2025	
50168122	Program Manager Social Media	N/	PAS0059C	\$118,726.40										\$169,312.00	Annually	12/13/2025	
61000020	Program Manager Sustainable Communities	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025	
50114096	Program Manager System Operations and Reliability	12	PAS0072O	\$163,592.00										\$216,736.00	Annually	12/13/2025	
61000018	Program Manager Time and Attendance	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025	
50160926	Program Manager Vegetation Management	12	PAS0059C	\$118,726.40										\$169,312.00	Annually	12/13/2025	
50126307	Program Manager, DEIB	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025	
50120124	Program Manager, Information Management & Compliance	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025	
50135827	Project Development Manager	12	PAS0069O	\$151,944.00										\$201,240.00	Annually	12/13/2025	
50111813	Project Integration Manager	12	PAS0071O	\$159,577.60										\$211,473.60	Annually	12/13/2025	
50051896	Project Manager I	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025	
50051897	Project Manager II	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025	
50051900	Public Information Specialist I	F	PAS0045O	\$84,094.40										\$111,342.40	Annually	12/13/2025	
50051901	Public Information Specialist II	12	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025	
50121215	Quality Auditor Journey Level	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025	
50083247	Rate Analyst Entry	F	PAS0045O	\$84,094.40										\$111,342.40	Annually	12/13/2025	
50051916	Rate Analyst Journey	12	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025	
50095131	Rate Pricing Advisor	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025	
50130984	Regulatory Compliance Analyst Entry level	F	PAS0045O	\$84,094.40										\$111,342.40	Annually	12/13/2025	
50130983	Regulatory Compliance Analyst Journey	12	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025	
50131203	Regulatory Coordinator Generation	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025	
50104213	Relay Specialist	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025	
50160580	Reliability Compliance Manager	N/	PAS0072O	\$163,592.00										\$216,736.00	Annually	12/13/2025	
50051616	Reliability Risk Engineer	12	PAS0069O	\$151,944.00										\$201,240.00	Annually	12/13/2025	
50167855	Resource Planning Analyst Entry Level	F	PAS0047O	\$88,379.20										\$116,979.20	Annually	12/13/2025	
50167858	Resource Planning Analyst Journey	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025	
50092218	Retail Partner Coordinator	12	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025	
50150275	Revenue Analyst Entry	F	PAS0043O	\$80,038.40										\$106,017.60	Annually	12/13/2025	
50116324	Revenue Analyst Journey	12	PAS0052O	\$99,923.20										\$132,350.40	Annually	12/13/2025	
50154604	Revenue Protection Representative (IBEW)	12	IBEW873N	\$48.59	\$50.09	\$51.89	\$54.34								Hourly	12/13/2025	
50051920	Revenue Protection Representative (IBEW) Closed Classification	12	IBEW903A	\$54.69	\$56.44	\$58.43	\$61.19								Hourly	12/13/2025	
50051918	Risk Management Analyst Journey Level	12	PAS0052O	\$99,923.20											\$132,350.40	Annually	12/13/2025
50051921	Safety and Loss Prevention Specialist Journey	12	PAS0049O	\$92,788.80											\$122,948.80	Annually	12/13/2025
50051922	Safety Coordinator	12	PAS0056O	\$110,260.80											\$146,099.20	Annually	12/13/2025
50083249	Safety Loss Prevention Specialist																

N/ designates non-civil service jobs

F designates non-journey nonrepresented flex jobs

# **026 SMUD Wage Schedule**

Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date	
50167119	Senior Cybersecurity Engineer	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50167118	Senior Cybersecurity Governance & Compliance Specialist	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50167210	Senior Cybersecurity Risk Specialist	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50165225	Senior Data Center Operations Specialist	12	PAS0052O	\$99,923.20										\$132,350.40	Annually	12/13/2025
50052045	Senior Database Administrator	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
61000030	Senior DEIB Analyst	12	PAS0059O	\$114,712.00										\$151,985.60	Annually	12/14/2024
61000030	Senior DEIB Analyst	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50052046	Senior Designer Drafter	6	OSE0735B	\$42.53	\$43.58	\$44.67	\$45.75	\$46.92	\$48.07	\$49.31	\$50.55	\$51.84		Hourly	12/13/2025	
50052049	Senior Desktop Support Specialist Closed Classification	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50052047	Senior Distribution Design Engineer	12	PAS0070O	\$150,009.60										\$198,660.80	Annually	10/18/2025
50052047	Senior Distribution Design Engineer	12	PAS0070O	\$155,251.20										\$205,608.00	Annually	12/13/2025
61000013	Senior Distribution Operations Engineer	12	PAS0070O	\$150,009.60										\$198,660.80	Annually	10/18/2025
61000013	Senior Distribution Operations Engineer	12	PAS0070O	\$155,251.20										\$205,608.00	Annually	12/13/2025
50052048	Senior Distribution System Engineer	12	PAS0070O	\$150,009.60										\$198,660.80	Annually	10/18/2025
50052048	Senior Distribution System Engineer	12	PAS0070O	\$155,251.20										\$205,608.00	Annually	12/13/2025
50159864	Senior Distribution System Operator	12	IBEW986D	\$101.98											Hourly	12/13/2025
50052050	Senior Document Records Specialist	6	OSE0650B	\$28.29	\$28.99	\$29.75	\$30.46	\$31.26	\$32.04	\$32.85	\$33.65	\$34.50		Hourly	12/13/2025	
50090305	Senior Document Records Specialist-Confidential	6	CONF650A	\$32.07	\$32.88	\$33.71	\$34.55	\$35.42	\$36.31	\$37.21	\$38.15	\$39.11		Hourly	12/13/2025	
50052052	Senior Electrical Engineer	12	PAS0070O	\$150,009.60										\$198,660.80	Annually	10/18/2025
50052052	Senior Electrical Engineer	12	PAS0070O	\$155,251.20										\$205,608.00	Annually	12/13/2025
50137575	Senior Electrical Technician	12	IBEW960B	\$85.58											Hourly	12/13/2025
50164848	Senior End User Computing Analyst	12	PAS0047O	\$88,379.20										\$116,979.20	Annually	12/13/2025
50131801	Senior Energy Advisor	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025
50139897	Senior Energy Management System Engineer	12	PAS0070O	\$150,009.60										\$198,660.80	Annually	10/18/2025
50139897	Senior Energy Management System Engineer	12	PAS0070O	\$155,251.20										\$205,608.00	Annually	12/13/2025
50168853	Senior Energy Specialist	6	OSE0770A	\$53.09	\$54.43	\$55.78	\$57.20	\$58.63	\$60.08	\$61.58	\$63.11	\$64.71		Hourly	12/13/2025	
50108901	Senior Energy Trading Specialist	12	PAS0067O	\$144,684.80										\$191,568.00	Annually	12/13/2025
50052055	Senior Engineering Technician	6	OSE0735A	\$42.52	\$43.58	\$44.67	\$45.80	\$46.95	\$48.14	\$49.35	\$50.56	\$51.87		Hourly	12/13/2025	
50083624	Senior Enterprise Application Administrator	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50166432	Senior Enterprise Architect	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50158753	Senior Enterprise Performance Planning Coordinator	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50090326	Senior Enterprise Technology Analyst	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50089611	Senior Enterprise Technology Development	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50138502	Senior Enterprise Technology Infrastructure Specialist	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50052057	Senior Financial Analyst	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50142686	Senior Financial Analyst Budget Office	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50111253	Senior Fire Protection Engineer	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025
50163938	Senior Geographic Information Systems Data Analyst	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025
50164575	Senior Geographic Information Systems Data Technician	6	OSE0750A	\$45.75	\$46.92	\$48.07	\$49.31	\$50.54	\$51.83	\$53.09	\$54.44	\$55.78		Hourly	12/13/2025	
50052059	Senior Graphic Artist	6	OSE0720D	\$39.46	\$40.48	\$41.51	\$42.53	\$43.58	\$44.67	\$45.75	\$46.92	\$48.08		Hourly	12/13/2025	
50164310	Senior High Voltage Test Technician	12	IBEW941M	\$74.23											Hourly	12/13/2025
50052060	Senior Human Resources Analyst	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50154400	Senior Hydro Operator	12	IBEW931A	\$74.65											Hourly	12/13/2025
50118747	Senior Hydro Operator Closed Classification	12	IBEW941B	\$74.65											Hourly	12/13/2025
50161012	Senior Information Management Analyst	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50052064	Senior Information Technology Application Developer Closed Classification	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50052065	Senior Information Technology Auditor	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025
50052068	Senior Information Technology Product Contract Specialist	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50052069	Senior Information Technology Systems Analyst Closed Classification	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50128232	Senior Instrument and Controls Engineer	12	PAS0070O	\$150,009.60										\$198,660.80	Annually	10/18/2025
50128232	Senior Instrument and Controls Engineer	12	PAS0070O	\$155,251.20										\$205,608.00	Annually	12/13/2025
50052071	Senior Internal Auditor	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50099398	Senior Labor Relations Analyst	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50051898	Senior Land Specialist	12	PAS0056B	\$110,260.80										\$153,483.20	Annually	12/13/2025
50160078	Senior Learning & Development Specialist	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50122845	Senior Line Inspector															

N/ designates non-civil service jobs

F designates non-journey nonrepresented flex jobs

**2026 SMUD Wage Schedule**  
Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date	
61000008	Senior Productivity Analyst	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025
50052092	Senior Project Manager	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025
50088003	Senior Protection Engineer	12	PAS0070O	\$150,009.60										\$198,660.80	Annually	10/18/2025
50088003	Senior Protection Engineer	12	PAS0070O	\$155,251.20										\$205,608.00	Annually	12/13/2025
50051902	Senior Public Information Specialist	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50052097	Senior Rate Analyst	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
61000031	Senior Reliability Risk Consultant	12	PAS0066O	\$136,364.80										\$180,606.40	Annually	8/13/2025
61000031	Senior Reliability Risk Consultant	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025
50052098	Senior Resource Planning Analyst	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025
50098850	Senior Revenue Analyst	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025
50087904	Senior Risk Management Analyst	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50089612	Senior Security Administrator	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50168121	Senior Social Media Specialist	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025
50052070	Senior Software Quality Assurance Specialist	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50052100	Senior Staff Secretary To Board Office Confidential	6	CONF667A	\$33.96	\$34.83	\$35.69	\$36.55	\$37.48	\$38.41	\$39.35	\$40.35	\$41.36		Hourly	12/13/2025	
50089955	Senior Staff Secretary-Confidential	6	CONF667A	\$33.96	\$34.83	\$35.69	\$36.55	\$37.48	\$38.41	\$39.35	\$40.35	\$41.36		Hourly	12/13/2025	
50160570	Senior Strategic Business Planner	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025
61000021	Senior Substation Engineer	12	PAS0070O	\$150,009.60										\$198,660.80	Annually	10/18/2025
61000021	Senior Substation Engineer	12	PAS0070O	\$155,251.20										\$205,608.00	Annually	12/13/2025
50099177	Senior Survey Engineering Technician-Chief of Party	6	OSE0740A	\$43.58	\$44.67	\$45.75	\$46.92	\$48.07	\$49.31	\$50.54	\$51.84	\$53.10		Hourly	12/13/2025	
50092752	Senior Survey Engineering Technician-Office Survey	6	OSE0735A	\$42.52	\$43.58	\$44.67	\$45.80	\$46.95	\$48.14	\$49.35	\$50.56	\$51.87		Hourly	12/13/2025	
50052103	Senior Telecommunications Engineer	12	PAS0070O	\$150,009.60										\$198,660.80	Annually	10/18/2025
50052103	Senior Telecommunications Engineer	12	PAS0070O	\$155,251.20										\$205,608.00	Annually	12/13/2025
50052107	Senior Telecommunications Technician	12	IBEW939B	\$73.84										Hourly	12/13/2025	
50154498	Senior Telephone Technician	12	IBEW922G	\$66.27										Hourly	12/13/2025	
50100561	Senior Telephone Technician Closed Classification	12	IBEW939B	\$73.84										Hourly	12/13/2025	
61000017	Senior Time and Attendance Specialist	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50052109	Senior Tool Repairer	12	IBEW901A	\$60.47										Hourly	12/13/2025	
50052108	Senior Transmission Planning Engineer	12	PAS0070O	\$150,009.60										\$198,660.80	Annually	10/18/2025
50052108	Senior Transmission Planning Engineer	12	PAS0070O	\$155,251.20										\$205,608.00	Annually	12/13/2025
50052114	Senior Troubleshooter	12	IBEW976D	\$95.01										Hourly	12/13/2025	
50163133	Senior User Experience Specialist	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50154166	Senior Vehicle Mechanic	12	IBEW874B	\$52.91										Hourly	12/13/2025	
50083253	Senior Vehicle Mechanic Closed Classification	12	IBEW887A	\$57.76										Hourly	12/13/2025	
50154167	Senior Vehicle Mechanic with class A	12	IBEW874D	\$54.06										Hourly	12/13/2025	
50052115	Senior Vehicle Mechanic with class A Closed Classification	12	IBEW887L	\$58.91										Hourly	12/13/2025	
50154168	Senior Vehicle Mechanic with hazmat	12	IBEW874E	\$54.18										Hourly	12/13/2025	
50052116	Senior Vehicle Mechanic with hazmat Closed Classification	12	IBEW887X	\$59.03										Hourly	12/13/2025	
50051927	Service Dispatcher	6	OSE0705A	\$36.65	\$37.60	\$38.53	\$39.46	\$40.48	\$41.52	\$42.53	\$43.58	\$44.68		Hourly	12/13/2025	
50167601	Shift Power System Operator Apprentice	12	IBEW980B	\$70.80	\$74.43	\$78.06	\$81.69	\$85.33	\$88.96	\$92.59	\$96.22	\$99.85	\$103.48	Hourly	3/22/2025	
50167601	Shift Power System Operator Apprentice	12	IBEW980B	\$70.80	\$74.43	\$78.06	\$81.69	\$85.33	\$88.96	\$92.59	\$96.22	\$99.85	\$103.48	Hourly	12/13/2025	
50167434	Shift Power System Operator Journey	12	IBEW986B	\$108.93										Hourly	3/22/2025	
50167434	Shift Power System Operator Journey	12	IBEW986B	\$108.93										Hourly	12/13/2025	
50154602	Shift Senior Power System Operator	12	IBEW990B	\$114.43										Hourly	3/22/2025	
50154602	Shift Senior Power System Operator	12	IBEW990B	\$114.43										Hourly	12/13/2025	
50051684	Site Safety Coordinator	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025
50166436	SMUD Cares Program Manager	12	PAS0056B	\$110,260.80										\$153,483.20	Annually	12/13/2025
50168118	Social Media Specialist	12	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025
50051751	Software Quality Assurance Specialist	12	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025
50165227	Space and Move Management Specialist	12	PAS0043O	\$80,038.40										\$106,017.60	Annually	12/13/2025
50051940	Special Assistant to Board of Directors	N/	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50051928	Staff Secretary	6	OSE0655A	\$28.67	\$29.43	\$30.12	\$30.90	\$31.66	\$32.43	\$33.22	\$34.05	\$34.92		Hourly	12/13/2025	
50086677	Staff Secretary Confidential	6	CONF655A	\$32.03	\$32.85	\$33.67	\$34.49	\$35.33	\$36.24	\$37.15	\$38.09	\$39.00		Hourly	12/13/2025	
50151393	Station Recorder Closed Classification	12	IBEW872I	\$53.47										Hourly	12/13/2025	
50052118	Station Recorder Closed Classification 1//	12	IBEW861C	\$34.22	\$35.79	\$46.11	\$48.08	\$51.08						Hourly		

**2026 SMUD Wage Schedule**  
Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date	
50051973	Supervising Customer Services Field Representative	12	PAS0052B	\$99,923.20										\$138,985.60	Annually	12/13/2025
50166563	Supervising Human Resources Analyst	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025
50135199	Supervising Paralegal	12	PAS0047O	\$88,379.20										\$116,979.20	Annually	12/13/2025
50150056	Supervising Procurement Specialist Closed Classification	12	PAS0059A	\$118,726.40										\$161,241.60	Annually	12/13/2025
50052015	Supervising Resource Planner	12	PAS0069O	\$151,944.00										\$201,240.00	Annually	12/13/2025
50130191	Supervisor Business Technology Resources & Planning	12	PAS0071O	\$159,577.60										\$211,473.60	Annually	12/13/2025
50129649	Supervisor Apprenticeship & Operations Training	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50163093	Supervisor Budget Office	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025
50090727	Supervisor Business Process Support	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025
61000044	Supervisor Commodity Risk Management	12	PAS0069O	\$146,806.40										\$194,438.40	Annually	7/10/2025
61000044	Supervisor Commodity Risk Management	12	PAS0069O	\$151,944.00										\$201,240.00	Annually	12/13/2025
50124592	Supervisor Construction Management Inspection	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50051994	Supervisor Data Management	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50126020	Supervisor Distribution Services New Business	12	PAS0069O	\$151,944.00										\$201,240.00	Annually	12/13/2025
50051852	Supervisor Distribution System Operations-Field Operation	12	PAS0069O	\$151,944.00										\$201,240.00	Annually	12/13/2025
50162517	Supervisor Energy Management System	12	PAS0069B	\$151,944.00										\$211,473.60	Annually	12/13/2025
50160221	Supervisor Energy Trading & Contracts	12	PAS0072O	\$163,592.00										\$216,736.00	Annually	12/13/2025
50160265	Supervisor Engineering	12	PAS0071O	\$159,577.60										\$211,473.60	Annually	12/13/2025
50158442	Supervisor Environmental, Health & Safety Services	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025
50051981	Supervisor Facilities & Maintenance	12	PAS0073O	\$167,148.80										\$221,374.40	Annually	12/13/2025
50051981	Supervisor Facilities & Maintenance	12	PAS0073O	\$161,491.20										\$213,886.40	Annually	10/18/2025
50162321	Supervisor Field Metering	12	PAS0059B	\$118,726.40										\$165,297.60	Annually	12/13/2025
50051697	Supervisor Fleet Operations	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50094154	Supervisor Health & Safety Services Closed Classification	12	PAS0066C	\$141,128.00										\$201,240.00	Annually	12/13/2025
50051729	Supervisor Hydro License Implementation	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025
50051990	Supervisor Image Production Postal Service & Administrative	12	PAS0052C	\$99,923.20										\$142,480.00	Annually	12/13/2025
50136695	Supervisor Load Research and Forecasting	12	PAS0069O	\$151,944.00										\$201,240.00	Annually	12/13/2025
50091651	Supervisor Maintenance Engineering	12	PAS0073O	\$167,148.80										\$221,374.40	Annually	12/13/2025
50091651	Supervisor Maintenance Engineering	12	PAS0073O	\$161,491.20										\$213,886.40	Annually	10/18/2025
50083477	Supervisor Material Planning & Coordination	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025
50116025	Supervisor Operations & Availability	12	PAS0071O	\$159,577.60										\$211,473.60	Annually	12/13/2025
50052007	Supervisor Operations Scheduling & Productivity	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50163671	Supervisor Program Delivery	12	PAS0064O	\$134,305.60										\$177,902.40	Annually	12/13/2025
50160902	Supervisor Project Management Office	12	PAS0067O	\$144,684.80										\$191,568.00	Annually	12/13/2025
50052012	Supervisor Rates	12	PAS0069O	\$151,944.00										\$201,240.00	Annually	12/13/2025
50052014	Supervisor Real Estate Services	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025
50160146	Supervisor Strategic Account Management	12	PAS0062D	\$127,857.60										\$186,950.40	Annually	12/13/2025
50052021	Supervisor Survey	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025
50051925	Supervisor Threat Management and Corporation Security Operations	12	PAS0062O	\$127,857.60										\$169,312.00	Annually	12/13/2025
50126182	Supervisor Transmission and Distribution Line Maintenance	12	PAS0069O	\$151,944.00										\$201,240.00	Annually	12/13/2025
50128766	Supervisor, Emerging Technologies	12	PAS0066O	\$141,128.00										\$186,929.60	Annually	12/13/2025
50099720	Supplier Diversity Supervisor	12	PAS0056O	\$110,260.80										\$146,099.20	Annually	12/13/2025
50164529	Support Center Supervisor	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50092750	Survey Engineering Technician Journey	6	OSE0714A	\$38.39	\$39.36	\$40.30	\$41.33	\$42.38	\$43.45	\$44.53	\$45.62	\$46.80		Hourly	12/13/2025	
50170412	Sustainable Community Partnership Specialist I	F	PAS0045O	\$84,094.40										\$111,342.40	Annually	12/13/2025
50170327	Sustainable Community Partnership Specialist II	12	PAS0054O	\$104,956.80										\$138,985.60	Annually	12/13/2025
50170328	Sustainable Community Partnership Specialist III	12	PAS0059O	\$118,726.40										\$157,310.40	Annually	12/13/2025
50091953	Systems Protection and Control	12	PAS0071O	\$159,577.60										\$211,473.60	Annually	12/13/2025
50052124	Technical Writer Entry Level	12	PAS0052O	\$99,923.20										\$132,350.40	Annually	12/13/2025
50154313	Telecommunications Technician Apprentice	48	IBEW845A	\$40.60	\$44.36	\$48.10	\$51.85	\$55.60	\$59.34					Hourly	12/13/2025	
50083255	Telecommunications Technician Apprentice Closed Classification	48	IBEW921A	\$45.25	\$49.43	\$53.63	\$57.75	\$61.94	\$66.13					Hourly	12/13/2025	
50052125	Telecommunications Technician Closed Classification	12	IBEW928I	\$69.60										Hourly	12/13/2025	
50154499	Telecommunications Technician I	12	IBEW915A	\$62.46										Hourly	12/13/2025	
50161055	Telecommunications Technician II	12	IBEW928I	\$69.60										Hourly	12/13/2025	
50154625																

**2026 SMUD Wage Schedule**  
Effective 12/13/2025

Job ID	Job Title	Prob Per Mo	Pay Scale Group	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step10	Wage Type	Effective Date	
61000039	Utility Service Field Investigator III	6	OSE0755A	\$46.69	\$47.87	\$49.04	\$50.29	\$51.55	\$52.83	\$54.16	\$55.53	\$56.89		Hourly	5/1/2025	
61000039	Utility Service Field Investigator III	6	OSE0755A	\$46.69	\$47.87	\$49.04	\$50.29	\$51.55	\$52.83	\$54.16	\$55.53	\$56.89		Hourly	12/13/2025	
50052155	Utility Worker I	12	IBEW802G	\$33.43	\$34.96	\$36.49	\$38.01								Hourly	12/13/2025
50052156	Utility Worker I with class A	12	IBEW802L	\$34.58	\$36.11	\$37.64	\$39.16								Hourly	12/13/2025
50052157	Utility Worker I with hazmat	12	IBEW802X	\$34.70	\$36.23	\$37.76	\$39.28								Hourly	12/13/2025
50163854	Utility Worker II	12	IBEW814A	\$40.17											Hourly	12/13/2025
50116120	Utility Worker III	12	IBEW816H	\$35.45	\$36.86	\$38.46	\$40.03	\$41.74							Hourly	12/13/2025
50154631	Vegetation Management Specialist with class A	12	IBEW878H	\$56.06											Hourly	12/13/2025
50150005	Vegetation Management Specialist With class A Closed Classification	12	IBEW901L	\$61.62											Hourly	12/13/2025
50052146	Vegetation Management Supervisor I	12	PAS00560	\$110,260.80										\$146,099.20	Annually	12/13/2025
50162373	Vegetation Management Supervisor II	12	PAS00590	\$118,726.40										\$157,310.40	Annually	12/13/2025
50154627	Vegetation Work Planner	12	IBEW878G	\$54.91											Hourly	12/13/2025
50052143	Vegetation Work Planner Closed Classification	12	IBEW901A	\$60.47											Hourly	12/13/2025
50154628	Vegetation Work Planner with class A	12	IBEW878H	\$56.06											Hourly	12/13/2025
50052144	Vegetation Work Planner with class A Closed Classification	12	IBEW901L	\$61.62											Hourly	12/13/2025
50154630	Vegetation Work Planner with hazmat	12	IBEW878J	\$56.18											Hourly	12/13/2025
50052145	Vegetation Work Planner with hazmat Closed Classification	12	IBEW901X	\$61.74											Hourly	12/13/2025
50052158	Vehicle Attendant	12	IBEW816G	\$34.53	\$35.98	\$37.59	\$39.16	\$40.85							Hourly	12/13/2025
50083257	Vehicle Attendant with class A	12	IBEW817B	\$35.68	\$37.13	\$38.74	\$40.31	\$42.00							Hourly	12/13/2025
50052159	Vehicle Attendant with hazmat	12	IBEW817X	\$35.80	\$37.25	\$38.86	\$40.43	\$42.12							Hourly	12/13/2025
50099030	Vehicle Maintenance Aide	12	IBEW790A	\$24.60	\$30.37										Hourly	12/13/2025
50052164	Vehicle Maintenance Aide with class A	12	IBEW790L	\$25.75	\$31.52										Hourly	12/13/2025
50052165	Vehicle Maintenance Aide with hazmat	12	IBEW790X	\$25.87	\$31.64										Hourly	12/13/2025
50154169	Vehicle Mechanic	12	IBEW858A	\$49.68											Hourly	12/13/2025
50154049	Vehicle Mechanic Apprentice with hazmat	48	IBEW851D	\$33.04	\$35.24	\$37.40	\$39.56	\$41.73	\$43.89	\$46.09	\$48.22				Hourly	12/13/2025
50052161	Vehicle Mechanic Apprentice with hazmat Closed Classification	48	IBEW866X	\$36.56	\$38.88	\$41.22	\$43.55	\$45.87	\$48.19	\$50.53	\$52.85				Hourly	12/13/2025
50052160	Vehicle Mechanic Closed Classification	12	IBEW874C	\$54.28											Hourly	12/13/2025
50168478	Vehicle Mechanic Welder	12	IBEW851I	\$51.97											Hourly	12/13/2025
50154213	Vehicle Mechanic Welder Apprentice with class A	48	IBEW851F	\$34.58	\$36.88	\$39.14	\$41.39	\$43.71	\$45.95	\$45.99	\$50.53				Hourly	12/13/2025
50125306	Vehicle Mechanic Welder Apprentice with class A Closed Classification	48	IBEW888A	\$37.95	\$40.37	\$42.87	\$45.37	\$47.87	\$50.33	\$52.81	\$55.27				Hourly	12/13/2025
50154214	Vehicle Mechanic Welder Apprentice with hazmat	48	IBEW851K	\$34.64	\$36.93	\$39.18	\$41.43	\$43.74	\$45.99	\$48.25	\$50.56				Hourly	12/13/2025
50125304	Vehicle Mechanic Welder Apprentice with hazmat Closed Classification	48	IBEW888B	\$37.99	\$40.42	\$42.92	\$45.40	\$47.88	\$50.37	\$52.85	\$55.31				Hourly	12/13/2025
50154218	Vehicle Mechanic Welder with class A	12	IBEW874A	\$53.12											Hourly	12/13/2025
50052166	Vehicle Mechanic Welder with class A Closed Classification	12	IBEW888G	\$58.10											Hourly	12/13/2025
50154219	Vehicle Mechanic Welder with hazmat	12	IBEW872H	\$53.24											Hourly	12/13/2025
50052167	Vehicle Mechanic Welder with hazmat Closed Classification	12	IBEW888X	\$58.22											Hourly	12/13/2025
50154225	Vehicle Mechanic with class A	12	IBEW858D	\$50.83											Hourly	12/13/2025
50052162	Vehicle Mechanic with class A Closed Classification	12	IBEW878A	\$55.42											Hourly	12/13/2025
50154240	Vehicle Mechanic with hazmat	12	IBEW858K	\$50.95											Hourly	12/13/2025
50052163	Vehicle Mechanic with hazmat Closed Classification	12	IBEW878X	\$55.55											Hourly	12/13/2025
50052168	Vehicle Parts Clerk	6	OSE0680B	\$32.43	\$33.22	\$34.05	\$34.92	\$35.81	\$36.65	\$37.60	\$38.54	\$39.47			Hourly	12/13/2025
50161540	Warehouse Operations Supervisor	12	PAS00620	\$127,857.60										\$169,312.00	Annually	12/13/2025

N/ designates non-civil service jobs

F designates non-journey nonrepresented flex jobs

**Sacramento Municipal Utility District  
2026 Special Pay Compensation Policy**

SPECIAL COMPENSATION CATEGORY	WAGE TYPE	ELIGIBLE EMPLOYEE GROUPS					EFFECTIVE DATE
		OSE	IBEW	PAS/MGMT	PSOA	CONF	
Special Assignment Pay	2nd Shift Differential Pay	\$ 2.88	\$ 3.89	*6%		4%	12/13/2025
Special Assignment Pay	3rd Shift Differential Pay	\$ 3.85	\$ 5.19	*8%		6%	12/13/2025
Special Assignment Pay	4th Shift Diff Pay - R.S.	\$ 4.81	\$ 5.19	*8%		8%	12/13/2025
Special Assignment Pay	PSOA 2nd Shift Differential Pay					8%	12/13/2025
Special Assignment Pay	Dbltm 4th Shift Diff	2X + \$4.81	2X + \$5.19	*2X + 8%	2X + 8%	0	12/13/2025
Special Assignment Pay	Instructor/Training Officer					8%	12/13/2025
Special Assignment Pay	Mutual Aid		2X				12/13/2025
Statutory Items	DT Incentive Erngs	2X	2X	*2X	2X		12/13/2025
Incentive Pay	Employer Paid Member Contributions	0.00%	0.00%	1.75%	0.00%	1.75%	12/13/2025
Statutory Items	FRC Cleaning Allowance	Up to \$1,550 / yr	Up to \$1,550 / yr	Up to \$1,550 / yr	Up to \$1,550 / yr		12/13/2025
Manual Adjustment Required to correct	LUMP SUM ADJ - PERS	**	**	**	**	**	12/13/2025
Statutory Items	Overtime Incentive Erngs	2X	2X	*1.5X	2X		12/13/2025
Statutory Items	PERS Uniform Allowance	Up to \$1,559 / yr	Up to \$2,078 / yr	Up to \$2,078 / yr			12/13/2025
Special Assignment Pay	Relief Shift Differential	\$ 4.81	\$ 5.19	*8%	8%	8%	12/13/2025
Special Assignment Pay	Sch Hol Wk Shft 2 Dif-PAS			*1.5X + 6%			12/13/2025
Special Assignment Pay	Sch Hol Wk Shft 3 Dif-PAS			*1.5X + 8%			12/13/2025
Special Assignment Pay	Sch Hol Wk Shft 4 Dif-PAS			*1.5X + 8%			12/13/2025
Statutory Items	Sch Holiday Dbl Time	2X	2X	*2X	2X		12/13/2025
Statutory Items	Sch Holiday Work	2X	2X	*1.5X	2X		12/13/2025
Statutory Items	Sch Holiday Worked - PAS			*1.5X			12/13/2025
Special Assignment Pay	Schd Hol DT Shft 2 Diff	2X + \$2.88	2X + \$3.89	*2X + 6%	2X + 8%		12/13/2025
Special Assignment Pay	Schd Hol DT Shft 3 Diff	2X + \$3.85	2X + \$5.19	*2X + 8%	2X + 8%		12/13/2025
Special Assignment Pay	Schd Hol DT Shft 4 Diff	2X + \$4.81	2X + \$5.19	*2X + 8%	2X + 8%		12/13/2025
Special Assignment Pay	Sched Hol Wrk Shft 2 Diff	2X + \$2.88	2X + \$3.89	*1.5X + 6%	2X + 8%		12/13/2025
Special Assignment Pay	Sched Hol Wrk Shft 3 Diff	2X + \$3.85	2X + \$5.19	*1.5X + 8%	2X + 8%		12/13/2025
Special Assignment Pay	Sched Hol Wrk Shft 4 Diff	2X + \$4.81	2X + \$5.19	*1.5X + 8%	2X + 8%		12/13/2025
Premium Pay	WOC DT Incentive	2X	2X		2X	2X	12/13/2025
Premium Pay	WOC Hol Special	2X	2X		2X	2X	12/13/2025
Premium Pay	WOC OT Incentive	2X	2X		2X	1.5X	12/13/2025
Premium Pay	WOC Reg	1X	1X		1X	1X	12/13/2025
Special Assignment Pay	Temporary Upgrade 2.5%	2.50%	2.50%	2.50%	2.50%	2.50%	12/13/2025
Special Assignment Pay	Temporary Upgrade 5%	5%	5%	5%	5%	5%	12/13/2025
Special Assignment Pay	Temporary Upgrade 7.5%	7.50%	7.50%	7.50%	7.50%	7.50%	12/13/2025
Special Assignment Pay	Temporary Upgrade 10%	10%	10%	10%	10%	10%	12/13/2025
Short Term Incentives - Exec	STI			11%			12/13/2025
Short Term Incentives - Dir	STI			6%			12/13/2025
Individual Performance Award	Pay for Performance Award			0 - 9%			12/13/2025
Incentive Pay	Off-Salary-Schedule Pay						12/13/2025

**Labor Policy:**

Special compensation will be reported as pensionable compensation in accordance with CalPERS rules & regulations. The above table provides information related to special compensation items for employee groups. Represented employee special compensation may also be found in the applicable labor agreements. For unrepresented employees, this document shall be used to delineate special compensation items, including Special Assignment Pay and Statutory Items designated for employees working 12 hour work schedules and/or shift schedules within Security Operations, Energy Trading & Contracts and any other designated 24/7

\*applies to PAS employees in Energy Trading & Contracts working a shift schedule

\*\*manual adjustment amount required to correct records varies depending upon situation

**RESOLUTION NO. 25-12-03**

**WHEREAS**, the California Public Employees' Retirement System (CalPERS) requires Board approval of the terms by which the Sacramento Municipal Utility District (SMUD) recognizes holiday pay and documents the monetary value for the maintenance of required clothing so that the amounts SMUD has reported in the past (and going forward) will continue to be treated by **CalPERS** as special compensation, as appropriate; and

**WHEREAS**, items of special compensation are added or included to a retiree's pension benefit calculations; and

**WHEREAS**, SMUD has been reporting holiday pay and the monetary value for the maintenance of required clothing as special compensation; and

**WHEREAS**, it is anticipated that **CalPERS** will resolve its concerns with SMUD related to these reported items if the procedures that require SMUD's Board to approve the terms of the holiday pay and monetary value for the maintenance of required clothing are met; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS**  
**OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board approves the side letter agreements between SMUD and the **Public Safety Officers' Association (PSOA)** related to the terms by which SMUD recognizes holiday pay and documenting the monetary value for the maintenance of

required clothing in substantially similar form as set forth in **Attachment C** and  
**Attachment D.**

Dated: December 11, 2025 BY:



Gregg Fishman  
President of the  
SMUD Board of Directors

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			



December 1, 2025  
LR 25-029

Shaun Du Fosee, Labor Consultant for PSOA  
Mastagni Holstedt  
1912 I Street  
Sacramento, CA 95811

Roy Todd, PSOA  
6100 Folsom Blvd., Mailstop K111  
Sacramento, CA 95819

**Subject: CalPERS: Holiday Pay**

The purpose of this side letter is to formalize the agreement between Sacramento Municipal Utility District (SMUD) and the SMUD Public Safety Officers' Association ("PSOA") to retroactively modify Article 7, Holidays, Section 2 (B), Regular Holiday Pay, in the 2019 – 2022 Memorandum of Understanding ("MOU") between the parties. All other terms and conditions of the MOU shall remain in full force and effect.

CalPERS issued a determination regarding the compliance of Holiday Pay, which is subject Government Code Sections 20636, and California Code of Regulations Section (CCR) 571(b).

The 2019-2022 MOU between SMUD and PSOA was unintentionally silent on positions that are required to work without regard to a holiday. In the subsequent 2023-2026 MOU, the intended language for Holiday Pay was corrected to codify existing practice. This side letter clarifies that the intended language also applies to 2019-2022 MOU (effective January 1, 2019- December 31, 2022), to align with the current 2023-2026 MOU language regarding Holiday Pay.

**Original 2019-2022 Language**

**Public Safety Officers' Associate (PSOA) MOU: Article 7- Holidays**

**2. HOLIDAY PAY**

**B. Regular Holiday Pay**

- 1) When a holiday falls on an employee's regularly scheduled workday, the employee will be given the day off and will be compensated for the number of hours the

employee is regularly scheduled to work on that day. When a holiday is observed on an employee's regular day off, the employee is credited with 8 hours of personal leave.

Updated/Revised Language Applicable to the 2019-2022 MOU (currently reflected in the 2023-2026 MOU)

**Public Safety Officers' Associate (PSOA) MOU: Article 7- Holidays**

**2. HOLIDAY PAY**

**B. Regular Holiday Pay**

- 1) When a holiday falls on an employee's regularly scheduled workday, the employee will be compensated for the number of hours the employee works on that day.
- 2) Employees who work on a holiday shall be paid at the double-time rate of pay for the hours worked in addition to holiday pay as specified below.
- 3) When a holiday is observed on an employee's regular day off, the employee is credited with 8 hours of personal leave

Compensation will be reported in conformance with the Public Employees' Retirement Law, enabling regulations, and CalPERS' administrative interpretations and guidance. No compensation is included for pension purposes unless affirmatively permitted by CalPERS and applicable law.

If the above language reflects your understanding of our agreement, please sign in the space provided below.

*Michelle Dungca*  
\_\_\_\_\_  
Michelle Dungca, Principal Labor Relations Analyst

*Shaun A Du Fossee*  
\_\_\_\_\_  
Shaun Du Fossee, Labor Consultant PSOA

  
\_\_\_\_\_  
Roy Todd, PSOA President



December 1, 2025

LR 25-026

Shaun Du Fosee, Labor Consultant for PSOA  
Mastagni Holstedt  
1912 I Street  
Sacramento, CA 95811

Roy Todd, PSOA  
6100 Folsom Blvd., Mailstop K111  
Sacramento, CA 95819

**Subject: CalPERS: Uniform Allowance**

The purpose of this side letter is to formalize the agreement between Sacramento Municipal Utility District (SMUD) and the SMUD Public Safety Officers' Association ("PSOA") to modify Article 19, Miscellaneous, Section 1, Uniforms and Work Clothing, in the 2023 – 2026 Memorandum of Understanding ("MOU") between the parties. All other terms and conditions of the existing MOU, including under Article 19, Section 1, shall remain in full force and effect.

CalPERS issued a determination regarding the compliance of Uniform Allowance, which is subject to Government Code Sections 20636, and California Code of Regulations(CCR), Title 2, Section 571(b)(1)(F).

Currently, the PSOA MOU between SMUD and PSOA references another document for uniforms and work clothing. CCR § 571(b)(1)(F) states that one of the requirements of special compensation is that it "Does not reference another document in lieu of disclosing the item of special compensation".

This side letter intends to clarify the language in the MOU, to include uniforms and maintenance.

**Current Language**

**Public Safety Officers' Associate (PSOA) MOU: Article 19- Miscellaneous**

**1. UNIFORMS AND WORK CLOTHING**

Uniforms and work clothing shall be issued in accordance with SOAP 005.

Updated/Revised Language

**Public Safety Officers' Associate (PSOA) MOU: Article 19- Miscellaneous**

**1. UNIFORMS AND WORK CLOTHING**

SMUD will be the sole authority for determining the type of uniform and equipment to be purchased and utilized. SMUD will purchase and provide maintenance services for the uniforms through a third-party vendor. Each member of the Uniformed Security Operations Force will be measured and fitted by the uniform supplier for the uniform issuance.

The laundry and maintenance of the uniform will be up to \$554.05 each fiscal year based on the cost of maintaining and laundering of the uniform. The value of the uniform provided is reported to CalPERS as compensation subject to retirement contributions for employees in classic retirement tiers (not PEPRA). Individual articles of the uniform are replaced as needed.

Compensation will be reported in conformance with the Public Employees' Retirement Law, enabling regulations, and CalPERS' administrative interpretations and guidance. No compensation is included for pension purposes unless affirmatively permitted by CalPERS and applicable law.

If the above language reflects your understanding of our agreement, please sign in the space provided below.

*Michelle Dungca*

Michelle Dungca, Principal Labor Relations Analyst

*Shaun A Du Fosse*

Shaun Du Fossee, Labor Consultant PSOA



Roy Todd, PSOA President

**RESOLUTION NO. 25-12-04**

**WHEREAS**, SMUD has an agreement for 1 billion cubic feet (Bcf) of storage inventory with a storage provider in Northern California that expires on March 31, 2026; and

**WHEREAS**, a Request for Proposals (RFP) was issued to replace this agreement upon its expiration; and

**WHEREAS, Central Valley Gas Storage, LLC (Central Valley)** provided traditional bids in response to the RFP and was the successful bidder for a five-year term; and

**WHEREAS**, the new transaction with **Central Valley** will maintain SMUD's storage capacity of 3 Bcf of inventory with injection rates of 10,000 Dekatherm (Dth) per day and withdrawal rates of 20,000 Dth/day; and

**WHEREAS**, reservation charges are \$3.72 million per year and variable costs are expected to average \$45,000 per year; and

**WHEREAS**, the increased costs are due to high volatility in natural gas and high demand for contracting across the entire state of California; and

**WHEREAS**, this transaction will represent half of SMUD's total natural gas storage services and ensure the ability to provide reliability and flexibility during summer peaks and winter weather events and potential arbitrage opportunities; and

**WHEREAS**, included in this contract are early injection service that will allow SMUD to begin injecting gas into the **Central Valley** facility as early as March 1, 2026; and

**WHEREAS**, the early injection service will allow SMUD the flexibility to move gas from the existing expiring contract into the new agreement;

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** This Board authorizes the Chief Executive Officer and General Manager, or his designee, to execute, substantially in the form of **Attachment E**, a Firm Storage Service (FSS) schedule with **Central Valley Gas**

**Storage, LLC (Central Valley)** for 1 Bcf of natural gas storage service for the period April 1, 2026, through March 31, 2031.

**Section 2.** This Board further authorizes the Chief Executive Officer and General Manager, or his designee, to execute, substantially in the form of **Attachment F**, an FSS schedule with **Central Valley** for natural gas injection service for the period March 1, 2026, through April 1, 2026.

**Section 3.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the contract; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

**Attachment E  
to Resolution No. 25-12-04**

**APPENDIX FSS**

**FIRM STORAGE SERVICE**

Appendix to CVGS/Sacramento Municipal Utility District Storage Services Agreement dated 10/23/2017.  
Transaction # **CV-SMD-FS-1002**

Central Valley Gas Storage, LLC (CVGS) and Sacramento Municipal Utility District (Customer) hereby adopt Service Schedule FSS, along with the previously executed Storage Services Agreement, and CVGS's Tariff, including its General Terms and Conditions and Transaction Management Procedures, and agree to the additional provisions contained in this Appendix FSS dated 11/17/2025:

Transaction Start Date:	<b>4/1/2026</b>	Transaction End Date:	<b>3/31/2031</b>
Injection Rights Start Date:	<b>4/1/2026</b>	Injection Rights End Date:	<b>3/31/2031</b>
Withdrawal Rights Start Date:	<b>4/1/2026</b>	Withdrawal Rights End Date:	<b>3/31/2031</b>
Firm Inventory Capacity/MSQ:		<b>1,000,000</b>	Dekatherms
Minimum Storage Quantity/MinSQ:		-	Dekatherms
Maximum Daily Quantity/MDQ:			Dekatherms
Firm MDIQ: Inventory less than or equal to 100% of MSQ		<b>10,152</b>	Dekatherms/Day
Inventory more than ____% and less than or equal to ____% of MSQ		-	Dekatherms/Day
Inventory greater than ____% OF MSQ		-	Dekatherms/Day
Firm MDWQ: Inventory greater than ____% of MSQ		-	Dekatherms/Day
Inventory more than ____% and less than or equal to ____% of MSQ		-	Dekatherms/Day
Inventory less than or equal to 100% of MSQ		<b>20,000</b>	Dekatherms/Day
Point of Receipt:	<b>CVGS/PG&amp;E Citygate</b>	Point of Delivery:	<b>CVGS/PG&amp;E Citygate</b>
Inventory Demand Rate	[REDACTED]		per Dekatherm per month
Injection Demand Rate	<b>N/A</b>		per Dekatherm per month
Withdrawal Demand Rate	<b>N/A</b>		per Dekatherm per month
Injection Commodity Rate	<b>N/A</b>		per Dekatherm Injected
Withdrawal Commodity Rate	<b>N/A</b>		per Dekatherm Withdrawn
Inventory Transfer Fee	<b>\$0.00000000</b>		per Dekatherm Transferred
Authorized Overrun Rate	<b>To be negotiated - as applicable</b>		
Fuel Charge	[REDACTED]		Retention per Dekatherm Injected
Other Charges:			

The parties agree that by affixing their signatures hereto that this Appendix FSS is final and binding in accordance with Article 2 of Service Schedule FSS.

This Appendix FSS shall at all times be subject to changes or modifications by the California Public Utilities Commission as said Commission may direct, from time to time, in the exercise of its jurisdiction.

**Sacramento Municipal Utility District**

**Central Valley Gas Storage, LLC**

PER: \_\_\_\_\_

PER: \_\_\_\_\_

NAME: \_\_\_\_\_

NAME: **Sam B. Wallace**

TITLE: \_\_\_\_\_

TITLE: **Chief Commercial Officer**

**Attachment F  
to Resolution No. 25-12-04**

**APPENDIX FSS**

**FIRM STORAGE SERVICE**

Appendix to CVGS/Sacramento Municipal Utility District Storage Services Agreement dated 10/23/2017.

Transaction # **CV-SMD-FS-1001**

Central Valley Gas Storage, LLC (CVGS) and Sacramento Municipal Utility District (Customer) hereby adopt Service Schedule FSS, along with the previously executed Storage Services Agreement, and CVGS's Tariff, including its General Terms and Conditions and Transaction Management Procedures, and agree to the additional provisions contained in this Appendix FSS dated 11/17/2025:

Transaction Start Date:	<b>3/1/2026</b>	Transaction End Date:	<b>4/1/2026</b>
Injection Rights Start Date:	<b>3/1/2026</b>	Injection Rights End Date:	<b>4/1/2026</b>
Withdrawal Rights Start Date:	<b>3/1/2026</b>	Withdrawal Rights End Date:	<b>4/1/2026</b>
Firm Inventory Capacity/MSQ:		<b>232,500</b>	Dekatherms
Minimum Storage Quantity/MinSQ:		-	Dekatherms
Maximum Daily Quantity/MDQ:			Dekatherms
Firm MDIQ: Inventory less than or equal to 100% of MSQ		<b>7,614</b>	Dekatherms/Day
Inventory more than ____ % and less than or equal to ____ % of MSQ		-	Dekatherms/Day
Inventory greater than ____ % OF MSQ		-	Dekatherms/Day
Firm MDWQ: Inventory greater than ____ % of MSQ		<b>0</b>	Dekatherms/Day
Inventory more than ____ % and less than or equal to ____ % of MSQ		-	Dekatherms/Day
Inventory less than or equal to 100% of MSQ		-	Dekatherms/Day
Point of Receipt:	<b>CVGS/PG&amp;E Citygate</b>	Point of Delivery:	<b>CVGS/PG&amp;E Citygate</b>
Inventory Demand Rate			per Dekatherm per month
Injection Demand Rate	<b>N/A</b>		per Dekatherm per month
Withdrawal Demand Rate	<b>N/A</b>		per Dekatherm per month
Injection Commodity Rate	<b>N/A</b>		per Dekatherm Injected
Withdrawal Commodity Rate	<b>N/A</b>		per Dekatherm Withdrawn
Inventory Transfer Fee	<b>\$0.00000000</b>		per Dekatherm Transferred
Authorized Overrun Rate		<b>To be negotiated - as applicable</b>	
Fuel Charge			Retention per Dekatherm Injected
Other Charges: Note: All volumes will be transferred to new contract CV-SMD-FS-1002 on April 1, 2026 at no charge.			

The parties agree that by affixing their signatures hereto that this Appendix FSS is final and binding in accordance with Article 2 of Service Schedule FSS.

This Appendix FSS shall at all times be subject to changes or modifications by the California Public Utilities Commission as said Commission may direct, from time to time, in the exercise of its jurisdiction.

**Sacramento Municipal Utility District**

**Central Valley Gas Storage, LLC**

PER: \_\_\_\_\_

PER: \_\_\_\_\_

NAME: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

**RESOLUTION NO. 25-12-05**

**WHEREAS**, on July 2025 SMUD issued Request for Proposals No. Doc5245423100 (RFP) to solicit qualified firms to provide gas pipeline owners engineering services; and

**WHEREAS**, four proposals submitted in response to the RFP were evaluated; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** As a result of such examination, **Acuren Inspection, Inc.; Alisto, Inc.; Kleinfelder, Inc.; and Prime EPC**, are hereby determined and declared to the highest evaluated responsive proposers to provide gas pipeline owners engineering services.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to negotiate and award contracts to the highest evaluated responsive proposers, **Acuren Inspection, Inc.; Alisto, Inc.; Kleinfelder, Inc.; and Prime EPC** (collectively, the **Contracts**), to provide gas pipeline owners engineering services for a five-year period from January 2, 2026, to January 2, 2031, for a total aggregate not-to-exceed amount of \$5,000,000 across the **Contracts**.

**Section 3.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the **Contracts** that, in his prudent judgment: (a) further the primary purpose of the **Contracts**; (b) is intended to provide a net benefit to SMUD; and (c) does not exceed the authorized contract amount and applicable contingencies.

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

**RESOLUTION NO. 25-12-06**

**WHEREAS**, by Resolution No. 19-07-02, adopted on July 18, 2019, this Board awarded Contract No. 4600001299 to **AECOM Technical Services, Inc. (AECOM Contract)**, Contract No. 4600001309 to **Kleinfelder, Inc. (Kleinfelder Contract)**, and Contract No. 4600001315 to **Brown and Caldwell (B&C Contract)** (collectively, the **Contracts**) for provision of environmental compliance and program development services for a three-year period from September 16, 2019, to August 18, 2022, for a total aggregate amount of \$6,000,000, with two optional one-year extensions for each contract, for a total not-to-exceed aggregate amount of \$8,000,000; and

**WHEREAS**, Contract Change 1 to the **AECOM Contract** and **Kleinfelder Contract** extended the expiration date; and

**WHEREAS**, Contract Change 1 to the **B&C Contract** extended the expiration date and increased rates; and

**WHEREAS**, Contract Change 2 to the **AECOM Contract** and **Kleinfelder Contract** added subcontractors; and

**WHEREAS**, Contract Change 2 to the **B&C Contract** and Contract Change 3 to the **AECOM Contract** and **Kleinfelder Contract** exercised Board-approved option funding; and

**WHEREAS**, Contract Change 3 to the **B&C Contract** and Contract Change 4 to the **AECOM Contract** and **Kleinfelder Contract** extended the expiration date; and

**WHEREAS**, Contract Change 4 to the **B&C Contract** and Contract Change 5 to the **AECOM Contract** and **Kleinfelder Contract** exercised the allowable contingency and increased unit rates; and

**WHEREAS**, a solicitation for new contracts is currently underway with contract award planned for July 2026; and

**WHEREAS**, increasing the total aggregate amount for the **Contracts** will allow SMUD to continue forward without jeopardizing environmental initiatives and to effectively meet regulatory standards until new contracts are in place; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** That this Board hereby authorizes the Chief Executive Officer and General Manager, or his designee, to increase the aggregate contract not-to-exceed amount for environmental compliance and program development services for Contract No. 4600001299 to **AECOM Technical Services, Inc.**, Contract No. 4600001309 to **Kleinfelder, Inc.**, and Contract No. 4600001315 to **Brown and Caldwell** (collectively, the **Contracts**) by \$2,200,000, from \$8,800,000 to \$11,000,000, across the three **Contracts**.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the **Contracts** that, in his prudent judgment: (a) further the primary purpose of the **Contracts**; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

**RESOLUTION NO. 25-12-07**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS**  
**OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction**

**SD-7, Environmental Leadership**, substantially in the form set forth in

**Attachment G** hereto and made a part hereof.

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

## SACRAMENTO MUNICIPAL UTILITY DISTRICT

### OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** November 20, 2025

**FROM:** Claire Rogers *CR 11/20/25*

**SUBJECT:** Audit Report No. 28007870  
Board Monitoring Report; SD-7: Environmental Leadership

Internal Audit Services (IAS) received the SD-7 *Environmental Leadership* 2024 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

CC:

Paul Lau

# Board Monitoring Report 2024

## SD-7 Environmental Leadership



### 1. Background

Strategic Direction 7 ([SD-7](#)), Environmental Leadership states that:

Environmental leadership is a core value of SMUD. In achieving this directive, SMUD will:

- a. Conduct its business affairs and operations in a sustainable manner by continuously improving pollution prevention, minimizing environmental impacts, including Tribal and other cultural impacts, conserving resources, enhancing regional biodiversity and promoting equity within SMUD's diverse communities.
- b. Provide leadership and innovation to improve air quality and reduce greenhouse gas emissions.
- c. Promote the efficient use of energy by our customers.
- d. Advance the electrification of vehicles, buildings, and equipment.
- e. Attract and build partnerships with customers, communities, policy makers, the private sector and other stakeholders.

### 2. Executive Summary

SMUD's focus on environmental leadership is clearly evident in our 2030 Clean Energy Vision and Zero Carbon Plan, but it also includes transparent reporting of greenhouse gas (GHG) emissions, natural resource stewardship and our concerted efforts to make all of our communities more sustainable. This report highlights some of the accomplishments SMUD achieved in 2024 to showcase our commitment to environmental leadership.

**We are compliant with the five tenets of SD-7.** Our efforts are highlighted in the supporting information below and Appendices: Appendix A (2015-2024 SMUD GHG Emissions Trends), Appendix B (Sustainable Communities Deliverables and Accomplishments To-Date), Appendix C (2024 Sustainability Report), and Appendix D (List of Acronyms).

### 3. Supporting Information

#### 2030 Clean Energy Vision and Zero Carbon Plan

In the first 3 years since the 2030 Zero Carbon Plan (ZCP) was approved by the Board, we've made substantial progress towards our goals. We've been focused on identifying new renewables and energy storage resources to transition away from natural gas generation. In 2024 we completed the Solano 4 Wind Project with 85.5-megawatt (MW) capacity – enough clean, renewable energy to power 40,000 homes. With this project, the combined Solano Wind Project generates 300 MW and 830 gigawatt hours per year, a 62% increase in the annual energy generation. We also began construction of the Country Acres Solar Project. The project will include 344 MW of solar and 172 MW of 4-hour battery energy storage. This project will be SMUD's largest solar and battery storage project to date and will connect to the SMUD transmission system.

#### Greenhouse Gas (GHG) Emissions

Starting this year, SMUD changed its GHG emissions accounting methodology from an annual method to an hourly method. This new methodology aligns with the requirements under Senate

Bill (SB) 1158<sup>1</sup>, which, beginning with reporting year 2027, will require SMUD and other utilities to provide an hourly emissions intensity factor. While this approach changes how green and brown energy is attributed to retail sales, the total reported emissions from our thermals have not been impacted. The new accounting approach provides greater granularity and precision in the attribution of green and brown energy to our customer demand and helps illustrate the need for clean energy products every hour of the year. For example, the hourly methodology considers the temporal aspects of solar and wind generation and can identify hours and months/seasons of the year we are most deficient in clean energy resources and/or most abundant. The hourly granularity is valuable as we evaluate the next clean energy resources to support our zero-carbon transition.

For 2024, GHG emissions were approximately 1.692 million metric tons carbon dioxide equivalent (CO2e)<sup>2</sup>. This is an increase of just over 113 thousand metric tons from 2023 emissions; a trend going back to 2015 (which was an especially severe drought year) can be found in Appendix A. Fluctuations in total emissions year-to-year are primarily attributable to hydroelectricity production, increases and decreases to customer demand, and the availability of ACS (Asset Controlling Supplier) low carbon power. As we continue to purchase greater quantities of zero and lower emissions-intensity power, we expect emissions to meet customer demand to decrease. A breakdown of emissions by thermal power plant, and power purchases, with comparisons between 2023 and 2024 can be found in Appendix A.

### **TCR Climate Registered™ Platinum Status**

For the fifth year in a row, SMUD was recognized by The Climate Registry (TCR), a non-profit organization which designs and operates voluntary and compliance GHG reporting programs. This past year, SMUD was recognized as a Climate Registered Accelerator™ Hero. SMUD earned this recognition by publicly reporting its third-party verified GHG emissions inventory for its operations in 2023, and by setting and disclosing its ambitious GHG reduction goals.

### **Environmental Remediation**

In 2024 the Environmental on-call team responded to 39 spills (oil, chemical, water discharge, polychlorinated biphenyls (PCB), waste) to ensure they were reported to the appropriate regulatory agencies, contained, cleaned and restored to the original condition.

Staff continue to support remediation at the 59th Street Corporation Yard. In 2024, the remaining buildings were demolished to provide access to contaminated soil. During building demolition, clean sand was found which needed to be excavated and hauled away. Rather than dispose of it at a landfill, the sand was given to Teichert for reuse. This saved 351 truck trips to Hay Road Landfill (2 hours round trip per truck), reused 6,493.5 tons of sand, and saved an estimated \$238,000.

### **Building Resilient Communities Through Partnership**

SMUD has invested \$36.7 million in our Sustainable Communities community-based partnerships and programs, supporting an inclusive and equitable clean energy future. By aligning our Sustainable Communities efforts with the 2030 Zero Carbon Plan, we're ensuring that all communities in Sacramento share the benefits of the clean energy transition, including health benefits from improved air quality, new jobs and resilience to climate change (Appendix B).

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<sup>1</sup> Link to Senate Bill 1158: [Bill Text - SB-1158 Retail electricity suppliers: emissions of greenhouse gases.](#)

<sup>2</sup> The 2024 GHG emissions value represents emissions associated with meeting our SMUD customers' energy demand and does not include emissions associated with wholesale energy sales into the market. The 2024 emissions from the net wholesale power are approximately 0.882 million metric tons of carbon dioxide (CO2). The net wholesale power is the difference between the unspecified power purchased and the power sold into the market.

Notable 2024 partnerships include:

- **Helping our Community Shine** – The Shine Awards program invests in local collaborations and partnerships supporting our historically under-resourced nonprofit partners that execute inclusive and equitable projects through communities. In 2024, 84 organizations submitted applications and 29 projects totaling \$563,719.37 were awarded.
- **Securing Infrastructure while Supporting our Community** – SMUD partnered with Volunteers of America (VOA) to provide services to the unhoused population around our infrastructure sites. Often, crews will find unhoused campers in unsafe situations. Now, instead of calling security, the 1-year pilot partnership will send a VOA social worker to connect with the person(s). The VOA volunteer will educate the campers about safety and provide information to other resources.
- **Electrifying Meadowview** – In 2024, SMUD partnered with Congresswoman Doris Matsui to expand our clean energy project aimed at electrifying up to 300 homes in Meadowview. The neighborhood electrification work will improve air quality, lower utility bills, and reduce financial stress associated with aging appliances. We are also working closely with community partners to raise awareness, engage customers about clean energy benefits, recruit participants for the program, and create workforce opportunities.

### **Northwest Public Power Association's 2024 Engineering & Operations Conference and Tradeshow**

Environmental Services senior staff chaired the 2024 Engineering & Operations Conference and Tradeshow in Spokane, Washington. The conference theme was “Our Resilient Communities” and focused on the important but often quiet way that public power steps up for customers and communities. The weeklong conference was comprised of learning sessions that featured topics ranging from mutual aid and wildfires to integrating renewables and operational safety. The conference was kicked off with an opening keynote from Clara Pratte, Executive Chair of Navajo Power, an Indigenous owned and operated public benefit corporation which works with Tribal Nations to develop renewable projects on Native land.

### **Partnering with our Local Tribes**

In 2022, SMUD developed a partnership with American River College's Native American Resource Center to benefit Native students in the region. This 3-year partnership included support for the American Indian Summer Institute (AISI), an in-person summer bridge program for a cohort of local Native youth. The 2024 cohort was hosted at Rancho Seco Lake where they participated in demonstrations led by Environmental Services staff. SMUD also helped establish the Elder-in-Residence program which provides space for elders to spend time with students and facilitate passing traditional cultural practices and ecological knowledge to students.

### **Energy Efficiency and Electrification**

SMUD's energy efficiency and building electrification goals are supported by building electrification rebates and retailer incentives for residential and commercial customers for new construction and retrofit programs. Our building electrification goal is to reduce GHG emissions by 365,000 MT by 2030, which is the equivalent of 112,000 all electric homes. Table 1 shows the progress made by these programs in 2024.

**Table 1: Energy Efficiency and Electrification Progress in SMUD Territory**

SMUD Portfolio	2024 Additions	Cumulative Total	2024 Cumulative Emission Reduction
<b>Building Electrification &amp; Energy Efficiency</b>	5,811 all-electric homes equivalent <sup>3</sup>	21,963 all-electric homes equivalent <sup>4</sup>	109,871 MT CO <sub>2</sub> e <sup>5</sup>
<b>Transportation Electrification</b>	15,745 EVs registered <sup>6</sup>	61,978 EVs registered	198,330 MT CO <sub>2</sub> e <sup>7</sup>

### Transportation Electrification

SMUD's transportation electrification portfolio includes residential electric vehicle (EV) charger incentives, dealership incentives, residential outreach, commercial charger incentives, and commercial vehicle incentives. Our goal is to have our vehicle electrification programs reduce transportation GHG emissions by 1,000,000 MT CO<sub>2</sub>e in 2030, the equivalent of electrifying 288,000 vehicles (see Table 1 for progress on this goal). In 2024, we expanded our residential and commercial transportation electrification programs to support the adoption of transportation electrification throughout our service territory, with particular attention to under-resourced communities.

We continued to support the Clean Cars for All program in partnership with Sacramento Metropolitan Air Quality Management District (SMAQMD). This program provides up to \$9,500 toward a new or used plug-in hybrid electric vehicle (PHEV) for income-qualified residents living in areas impacted by higher levels of pollution. We installed 27 EV chargers for income-qualified residents through Clean Cars for All. 189 EV supply equipment (EVSE) and 304 EV circuits and for income-qualified customers to equip these homes for charging to prepare for the future addition of an EV were also installed.

### Sacramento Tree Foundation Sacramento Shade Program

In 2024, the Sacramento Tree Foundation distributed 11,363 trees as part of its Sacramento Shade program serving 2,540 customers with an average of 5 trees delivered per customer. A total of 4,136 trees (36.4%) were planted in under-resourced communities. The total carbon (stored in biomass and avoided) for these trees is estimated at 43,339.30 metric tons.

### Habitat Conservation Plan

In December 2024, SMUD received an incidental take permit through a federally approved Habitat Conservation Plan. This important milestone allows us to move forward with operations and maintenance activities in sensitive habitats and ensures protection and long-term benefits for threatened and endangered species. This plan reflects our commitment to responsible environmental stewardship by actively protecting habitat for seven federally listed species while balancing service and reliability for our customers. Environmental Services staff acquired mitigation credits to offset impacts and conserve valley elderberry longhorn beetle and giant garter snake habitat, and allocated mitigation credits from the SMUD Rancho Seco Nature Preserve Mitigation Bank for vernal pool fairy shrimp, vernal pool tadpole shrimp, and California tiger salamander.

### Workflow Integration Program

In 2024, 286 projects located in areas with potential sensitive biological resources, naturally

<sup>3</sup> All-electric homes equivalent is defined as the sum of all fully electrified homes, as well as the all-electric home contribution of individually electrified HVAC systems, heat pump water heaters, and stoves across different homes in SMUD's service territory.

<sup>4</sup> Cumulative total since 2021.

<sup>5</sup> The DER Cost Effectiveness Tool evaluates and accounts for DER program effectiveness, calculating gross annual emissions impact. It is reported in each year the "measure" is installed on the grid and within its useful life.

<sup>6</sup> EPRI Vehicles in Operation report.

<sup>7</sup> One EV is equivalent to 3.2 MT of GHG reduction, assuming 13k miles/year, 15-year life vehicle via Argonne National Laboratory AFLEET CFI Tool.

occurring asbestos, or soil management plans were reviewed by the Environmental Services team. Avoidance and minimization measures and best management practices were prescribed to 40% of the reviewed projects to reduce impacts on sensitive biological, cultural, and Tribal cultural resources as well as keep field staff and contractors safe when working in areas with naturally occurring asbestos or soil contamination.

### **Equipment Electrification**

SMUD has been replacing its gas/diesel-powered equipment with equivalent electric/battery powered tools where they are available from the market, such as chain saws, trimmers, blowers, and generators. By researching market availability and capitalizing on technological improvements, we achieved 96% hand tool electrification in 2024.

Similarly to tools, SMUD is also focused on reducing emissions generated by our fleet. This is being accomplished through alternative fuel usage, idle reduction and vehicle electrification where the technology is available. Since 2016, SMUD has measured:

- GHG Emissions Reduction through Transportation Electrification, increasing from 1.0 MTCO<sub>2</sub>e in 2016 to a reduction of 46.59 MTCO<sub>2</sub>e in 2024.
- Electric vehicle miles driven have increased from 2,462 in 2016 to 174,999 in 2024
- Total emissions generated from combustion of fossil fuels by the Fleet have also been reduced from 5,553 MTCO<sub>2</sub>e in 2016 to 3,931 MTCO<sub>2</sub>e in 2024.
- Fuel Economy has increased from 7.48MPG in 2016 to 9.41MPG in 2024.

### **Investment Recovery and Sustainable Solutions**

The Warehouse team had a remarkable year with the Investment Recovery and Sustainable Solutions (IR&SS) program resulting in extra income, cost savings and less waste sent to landfills. In 2024 the IR&SS program generated \$1.05 million from recycled metals and diverted 980 tons from the landfill. This effort also helped avoid approximately 4,500 MTCO<sub>2</sub>e by recycling instead of producing metals from raw materials. Warehouse Material Specialists saved over \$580,000 by implementing a circular economy model (redeploy, reuse, repurpose, recycle). We reused 309 wood reels and respoiled 79 of those with wire. Additionally, 1,602 wood pallets were recycled or reused instead of going to the landfill.

SMUD contracted with Transformer Technologies, a company that specializes in the decommissioning, dismantling, and recycling of electrical equipment for utilities. This recycling effort not only reduces waste but also supports SMUD's sustainability initiatives by efficiently recycling materials such as copper, aluminum, and oil. In the current market, SMUD receives credit for metal recycling. In 2024, we removed and recycled seven transformers from substations, totaling \$244,524 in credit, and diverted a total of 514,767 pounds of metal from landfills.

## **4. Challenges**

In 2024, challenges associated with meeting the SD-7 goals were related to Zero Carbon Plan projects. As we continue to look for opportunities to build solar projects in Sacramento County and retrofit our existing infrastructure to accommodate the increased load associated with building electrification, electric vehicles, and new development in the downtown Sacramento area, we are encountering new constraints that require increased funding as we try to navigate towards mitigation solutions. Additionally, we anticipate new challenges as a result of the 2024 presidential election.

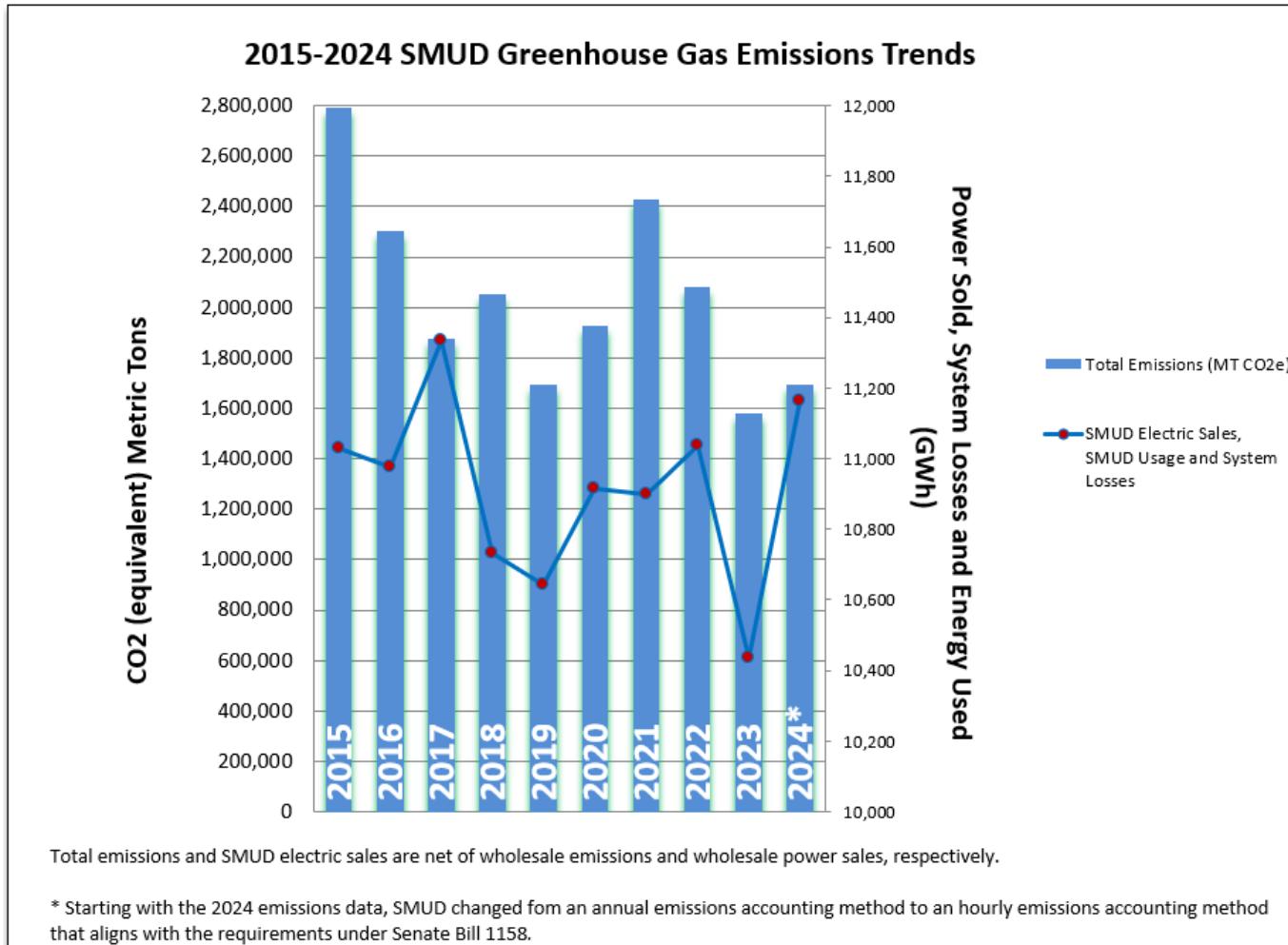
## **5. Recommendation**

It is recommended that the Board accept the Monitoring Report for SD-7, Environmental Leadership.

## **6. Appendices**

- A. 2015-2024 SMUD Greenhouse Gas Emissions Trends
- B. Sustainable Communities Deliverables and Accomplishments To-Date
- C. 2024 Sustainability Report
- D. List of Acronyms

## Appendix A<sup>8</sup>



Thermal Power Plant Greenhouse Gas Emissions				
Source	2023 MMT CO2e	2024 MMT CO2e	Percent Change	
Thermal Emissions less any Cogen Sales				
Cosumnes	1,117	1,466	31%	
Proctor & Gamble	270	267	-1%	
Campbell	275	301	9%	
Carson	62	48	-22%	
McClellan	1.7	2.3	38%	
Power Purchased and System Losses	627	490	-22%	
Net of Unspecified Market Purchases and Sales	(774)	(882)	-14%	
Total	1,579	1,692	7%	

<sup>8</sup> SD7 reports emissions to meet customer demand net of wholesale market transactions, while SD9 provides an explanation of events that materially increased or decreased our emissions from what was forecast.

## Appendix B

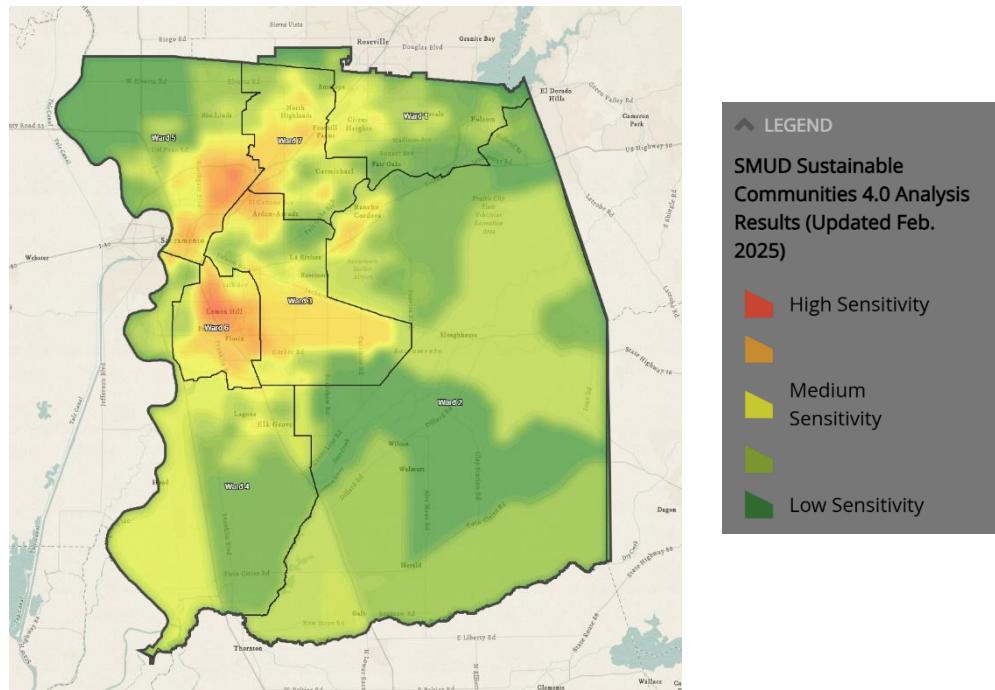
### Sustainable Communities Deliverables and Accomplishments To-Date



To promote environmental equity as well as inclusive economic and community development, SMUD continues to focus on community partnerships, programs, and neighborhood outreach activities in vulnerable and under-resourced communities through its Sustainable Communities program, which takes a boots-on-the-ground approach to addressing issues plaguing our community, while creating an inclusive, clean-energy economy for all communities, with a special emphasis on those in historically under-resourced areas.

In 2024, Sustainable Communities updated their core pillars to better align their community-focused programs with SMUD's core purpose and vision – to enhance the quality of life for all our customers through innovative energy solutions. Those pillars help guide investment in a way that helps prioritize environmental equity and economic vitality for all communities in our service area with special attention to historically underserved neighborhoods. The above graphic highlights some key activities and investments for each pillar.

## Sustainable Communities Resource Priorities Map



SMUD's Sustainable Communities Resource Priorities Map analyzes current data to identify the local areas most likely to be under-resourced or in distress due to lack of community development, income, housing, employment opportunities, transportation, medical treatment, nutrition, education, and clean environment. The map and underlying source data support a data driven approach to identifying and targeting communities with greater sensitivity to social, economic, and environmental vulnerabilities. SMUD is continuing to assess how various energy programs and projects can be enhanced or expanded to improve equity, incorporating what community members themselves feel is needed to achieve a more equitable energy future.

**Appendix C**

**2024 Sustainability Report**

## Appendix D

### List of Acronyms

<b>AISI</b>	American Indian Summer Institute
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>CO<sub>2e</sub></b>	Carbon Dioxide Equivalent
<b>EPRI</b>	Electric Power Research Institute
<b>GHG</b>	Greenhouse Gas
<b>IR&amp;SS</b>	Investment Recovery and Sustainable Solutions
<b>MW</b>	Megawatt
<b>MMT</b>	Million Metric Tons
<b>PCB</b>	Polychlorinated Biphenyls
<b>PHEV</b>	plug-in hybrid electric vehicle
<b>SD</b>	Strategic Direction
<b>SMUD</b>	Sacramento Municipal Utility District
<b>TCR</b>	The Climate Registry
<b>VOA</b>	Volunteers of America
<b>ZCP</b>	Zero Carbon Plan

**RESOLUTION NO. 25-12-08**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS**  
**OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-9, Resource Planning**, substantially in the form set forth in **Attachment H** hereto and made a part hereof.

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

## SACRAMENTO MUNICIPAL UTILITY DISTRICT

### OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** November 17, 2025

**FROM:** Claire Rogers *CR 11/17/25*

**SUBJECT:** Audit Report No. 28007871  
Board Monitoring Report; SD-9: Resource Planning

Internal Audit Services (IAS) received the SD-9 *Resource Planning* 2024 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

CC:

Paul Lau

# Board Monitoring Report 2024

## SD-9, Resource Planning



### 1. Background

It is a core value of SMUD to provide its customers and community with a sustainable power supply using an integrated resource planning process.

A sustainable power supply is one that reduces SMUD's greenhouse gas (GHG) emissions to serve retail customer load to zero by 2030. Zero GHG emissions will be achieved through investments in energy efficiency, clean distributed energy resources, renewables portfolio standard (RPS) eligible renewables, energy storage, large hydroelectric generation, clean and emissions free fuels, and new technologies and business models. Additionally, SMUD will continue pursuing GHG savings through vehicle, building and equipment electrification.

SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water and air quality, including Tribal and other cultural impacts, and maintain competitive rates relative to other California electricity providers.

To guide SMUD in its resource evaluation and investment, the Board sets the following energy supply goal:

Year	Greenhouse Gas Emissions (metric tons)
2020	2,318,000
2030 - beyond	0

In keeping with this policy, SMUD shall also achieve the following:

- a) Pursue energy efficiency and electrification to reduce carbon emissions by 365,000 metric tons from buildings and 1,000,000 metric tons from transportation in 2030 (the equivalent of 112,000 single family homes and 288,000 passenger vehicles electrified).
- b) Procure renewable resources to meet or exceed the state's mandate of 33% of SMUD's retail sales by 2020, 44% by 2024, 52% by 2027, and 60% of its retail sales by 2030 and thereafter, excluding additional renewable energy acquired for certain customer programs.
- c) In meeting GHG reduction goals, SMUD shall:
  - i. Emphasize local and regional benefits.
  - ii. Improve equity for under-served communities.
- d) Explore, develop, and demonstrate emerging GHG-free technologies and business models.
- e) Promote cost effective, clean distributed generation through SMUD programs.

### 2. Executive Summary

As this report demonstrates, SMUD made progress towards the key Strategic Direction 9 (SD-9) goals in 2024. SMUD added 86 MW of wind to our energy supply; supported a 36% increase in all-electric buildings and a 34% increase in electric vehicles (EVs); met the state's mandate of 44% retail sales met by renewable resources in 2024 while planning to exceed future renewable milestones; implemented programs focused on local benefits and under-served communities; pursued new GHG-free technologies including carbon capture and storage; and supported the addition of 44 MW of customer solar and storage. Our GHG emissions to meet customer electricity needs were approximately 1,692 thousand metric tons (MT) of greenhouse gas (GHG) in 2024. This emissions level reflects several factors that SMUD cannot control for, including unforeseen

changes in wind and hydro generation and customer load during the year. Adjusting for these factors, SMUD's emissions would have been about **1,382 thousand MT GHG**.

### 3. Additional Supporting Information

SD-9 sets various sustainable power supply goals for our integrated resource plan (IRP) as well as for our customer programs. Our IRP process informs long-term strategic development of programs and generation resources and balances reliability, sustainability, environmental, financial, and customer benefits while achieving SD-9 goals. In 2021, the Board adopted the 2030 Zero Carbon Plan (ZCP) as our IRP and revised our SD-9 targets in line with the plan (for a detailed history of SD-9, see Appendix A). The ZCP is our roadmap to eliminate GHG emissions from our electricity supply by 2030. Our progress related to SD-9 goals and implementation of our ZCP is detailed in this report.

#### A. Greenhouse Gas Emissions

GHG emissions associated with meeting customer electricity needs were 1,692 thousand MT GHG (Table 1). GHG emissions adjusted for unexpected wind, hydro, and customer load conditions were 1,382 thousand MT GHG. See Appendix B for more detail on SMUD's adjusted emissions and how they are calculated.

**Table 1: SD-9 GHG Emissions & Near-term Targets**

Source	Net Power (GWh)	GHG Emissions (Thousand MT GHG)
Net generation and specified power purchases	13,448	2,574
Net wholesale market transactions (un-specified purchases less sales)	-2,286	-882
<b>GHG emissions to meet customer load (SD-7 emissions)<sup>1</sup></b>	<b>11,162</b>	<b>1,692</b>
Load variability adjustment		-163
Hydro variability adjustment		-93
Wind variability adjustment		-54
<b>Adjusted emissions (SD-9 emissions)</b>		<b>1,382</b>
<b>2030 Target</b>		<b>0</b>

#### B. Energy Efficiency and Electrification

SMUD's energy efficiency and building electrification goals are supported by building electrification rebates and retailer incentives for residential and commercial customers for new construction and retrofit programs. SMUD's transportation electrification portfolio includes residential electric vehicle (EV) charger incentives, dealership incentives, residential outreach, commercial charger incentives, and commercial vehicle incentives. Table 2 shows the progress made by these programs in 2024.

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<sup>1</sup> This year, SMUD has moved from an annual emissions accounting methodology to an hourly emissions accounting method that aligns with the requirements under Senate Bill 1158 which will require SMUD and other utilities to provide an hourly emissions intensity factor starting in the reporting year 2027. The hourly granularity is valuable as we evaluate future clean energy resource options to support our zero carbon transition, ensuring we construct a diverse resource portfolio while avoiding over investment in any single technology.

**Table 2: Energy Efficiency and Electrification Progress in SMUD Territory**

SMUD Portfolio	2024 Additions	Cumulative Total	2024 Cumulative Emission Reduction (MT GHG)
<b>Building Electrification &amp; Energy Efficiency</b>	5,811 all-electric homes equivalent <sup>2</sup>	21,963 all-electric homes equivalent	109,871
<b>Transportation Electrification</b>	15,745 EVs registered	61,978 EVs registered	198,330 <sup>3</sup>

## C. Renewable and Zero Carbon Energy Resources

We continue to expand our portfolio of renewable resources to meet state RPS requirements and the needs of the ZCP. Updates on these efforts are provided below.

### ***California Renewable Portfolio Standard (RPS)***

Although our goals are more ambitious than already aggressive state mandates, we continue to implement a renewable energy strategy that meets state RPS requirements. Leveraging existing and new RPS eligible renewable generation, we acquired sufficient resources to achieve our RPS compliance obligation for the 2021-2024 compliance period. For a detailed discussion of our RPS compliance period obligation, please see Appendix B.

### ***Zero Carbon Resource Progress and Development***

To meet all of our environmental goals, we continue to pursue zero carbon technologies, such as wind, geothermal, solar, energy storage, and carbon capture and storage (CCS). In 2024, we added 86 MW of wind to our portfolio, resulting in an annual portfolio emission reduction of ~90 thousand MT GHG. Since the adoption of the ZCP in 2021 and through 2024, we have added zero carbon resources totaling 286 MW of generation and 4 MW of storage. An additional 1,626 MW of local and regional zero carbon generation and 548 MW of local storage are in various stages of planning, development, or evaluation, with online dates prior to 2030 (see Table 4 in Appendix C for more details). Beyond the projects identified in this report, we are regularly reviewing and pursuing additional zero carbon resource opportunities.

### ***Voluntary Renewable Energy Programs***

We continue to expand our customers' voluntary renewable program choices and align the programs to our ZCP. In 2024, we delivered a total of 828 GWh (7.7% of retail sales) to customers participating in either Greenergy or SolarShares. Our Greenergy program delivered 505 GWh, which served more than 63 thousand residential and commercial accounts. The SolarShares program for both residential and commercial accounts delivered 323 GWh. Most notably, our Residential SolarShares program for income-qualified customers, launched in late 2023, delivered over 192 MWh of energy.

<sup>2</sup> All-electric homes equivalent is defined as the sum of all fully electrified homes, as well as the all-electric home contribution of individually electrified HVAC systems, heat pump water heaters, and stoves across different homes in SMUD's service territory.

<sup>3</sup> One EV is equivalent to 3.2 MT of GHG reduction, assuming 13k miles/year, 15-year life vehicle via Argonne National Laboratory AFLEET CFI Tool.

## **D. Emerging clean energy technologies**

To fully decarbonize our energy supply by 2030 as part of our ZCP, we must explore emerging clean technologies that provide resource reliability for days, weeks, and months. A major highlight of this work in 2024 was SMUD's support of Calpine in pursuing and winning a \$270 million grant under the DOE's Carbon Capture Demonstration Projects Program for the 550 MW Sutter Energy Center in Sutter County which if successful would store up to 1.7 million MT/GHG annually. Although the US DOE recently cancelled this grant award in 2025, Calpine continues to develop this project as federal carbon tax credits are still available that significantly reduce the cost of this potential project. SMUD plans to discuss a potential power purchase agreement for the project with the SMUD Board in 2026. Staff also continue to evaluate promising long-duration energy storage technologies and clean fuel opportunities in this area.

## **E. Local and Regional Benefits and Under-resourced Communities**

Our ZCP was designed to provide wide-reaching benefits to our community, including expanded workforce development, while focusing on equity in our communities.

### ***Electrification in Under-resourced Communities***

SMUD's tailored approach to engaging and investing in our under-resourced communities and helping to support their transition to zero carbon is strategically driven by the Community Impact Plan (CIP). In the plan's third year of implementation, SMUD has expanded its engagement efforts to include additional neighborhoods, increased outreach in a wider range of languages, forged new community-based partnerships, and enhanced the installation of electrification measures in both commercial and residential buildings. In 2024, CIP funds supported:

- Residential Neighborhood Electrification – 1,068 energy efficiency and electrification measures installed for 129 income-qualified customers in the Meadowview neighborhood.
- Business District Electrification – 36 energy efficiency and electrification measures installed at 17 commercial sites in the greater Sacramento region.

Additional work supporting electrification for under-resourced and income-qualified customers in our service territory is detailed in Appendix C.

### ***Local Workforce Development***

Through a collaborative and community-based approach, we partnered with community organizations and education entities to create training programs that advanced jobs and skills related to emerging zero carbon energy and electrification. Participants from under-resourced communities will be well-positioned to fill the projected need for workers in the clean energy industry and other emerging high wage careers. In 2024, the Regional Workforce Development team partnered with 45 community organizations to reach 4,709 youth and adults with career education and training and help 991 trainees find meaningful employment. Further details are provided in Appendix C.

## **F. Distributed Generation and Storage**

SD-9 requires that SMUD develop programs to promote cost effective, clean distributed generation. The following describes progress on these programs in 2024.

### ***Flexible Demand Programs***

Our flexible demand programs seek to optimize operation of our customer-partner's equipment and distributed energy resources in a way that balances customer-partner and grid needs by compensating customers for the grid benefits they provide. The following programs have made notable contributions to our load flexibility goals in 2024:

- My Energy Optimizer Partner+ program for battery storage (a residential virtual power plant program) enrolled 302 customer batteries resulting in 1.63 MW of flexible load capability.
- My Energy Optimizer Partner program for smart thermostats enrolled 30,427 devices installed in the homes of 24,857 customers, including 727 on the Critical Peak Pricing rate,<sup>4</sup> with total potential flexible load capacity of 23.73 MW.
- Peak Conserve program for AC load control switches installed 1,783 devices, totaling 1.41 MW of potential flexible load capacity.
- PowerDirect®, an automated demand response (ADR) program for commercial customers, enrolled 35 customers and achieved a flexible load potential of 28.0 MW by the end of 2024.

### ***Customer-side Solar and Storage***

Customer-sited distributed generation and storage continued to expand in 2024. Residential and commercial customers installed 34.7 MW (5,930 systems) of solar PV and 9.2 MW (466 systems) of storage in addition to the My Energy Optimizer Partner+ program. For more detailed information, see Appendix C.

## **4. Challenges**

SMUD continues to make progress towards SD-9 goals but it is not without challenges. The primary challenges include project development timeline delays and increasing resource costs which are due to many factors. Despite these challenges, SMUD continues working diligently to develop and identify new clean energy projects and customer programs that will bring us closer to our goals, within our financial and reliability guardrails.

## **5. Recommendation**

It is recommended that the Board accept the Monitoring Report for SD-9.

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<sup>4</sup> Critical Peak Pricing (CPP) is an optional time-based rate. This rate is in addition to the Time-of-Day Rate (5-8 p.m.) and gives customers a discount throughout non-Peak-Event hours in exchange for higher prices during Peak Events.

## Appendix A – SD-9 History

SD-9 was established by our Board in 2004 to guide our ongoing environmental leadership and our IRP process, balancing financial and customer rate impacts, reliability requirements, and equity considerations. Our strategic directions have evolved in response to changes in markets, policies, and laws. In December 2008, the Board added sustainable power supply as a core objective of the IRP process and set a GHG emissions target.

In 2018, the Board updated our GHG reduction goals to include a 2040 Net Zero GHG goal. Subsequently, in 2020, our Board adopted a Climate Emergency Resolution, committing to work towards carbon neutrality by 2030. Also in 2020, the Board adopted carbon-based targets for energy efficiency and building electrification, making SMUD the first major utility to use carbon as a tracking metric for efficiency.

In April 2021, the Board adopted Resolution No. 21-04-04, updating SD-9 to align with our ZCP goal of zero GHG emissions in our energy supply by 2030, along with specific goals for GHG reductions related to electrification.

To achieve our goal of zero carbon by 2030, we are focusing on:

- Procuring new zero carbon and renewable energy resources.
- Expanding customer programs for energy efficiency and building and transportation electrification.
- Developing new customer programs and investigating emerging zero carbon technologies.
- Continuing our efforts to improve equity for our under-resourced communities and enhancing the health of our ecosystems.

Under SD-9, our goal is more ambitious than California's planned trajectory, which requires utilities to source at least 60% of retail sales with eligible renewable resources by 2030 and aims for economy-wide carbon neutrality by 2045.

## Appendix B – Methodology

### ***GHG Emissions***

SMUD's reported emissions for SD-9 are the SD-7 emissions with adjustments that help explain the largest drivers in changes to our emission result for the year. These key drivers can result in higher or lower than expected customer load, hydro generation, and wind generation; these are things outside of our control and impacted by weather and other events. At the beginning of each year, we establish a best estimate forecast for load, hydro, and wind generation based on expected weather patterns and anticipated customer growth. Extreme and unanticipated weather events can affect actual emissions significantly, necessitating these adjustments. For example, severe drought can reduce hydro generation, resulting in a greater reliance on nonrenewable resources and requiring corresponding reduction to SD-9 emissions. Thus, adjusted emissions reflect what our emissions would have been if no unforeseeable external factors had occurred. The adjustments to actual GHG emissions in 2024 include:

- A *decrease* to account for higher-than-expected customer load.
- A *decrease* to account for lower-than-expected hydro production.
- A *decrease* to account for lower-than-expected wind production.

## ***Renewables Portfolio Standard Compliance Period Obligations***

State law requires that SMUD procure renewable generation for at least 60% of retail sales by 2030 as well as achieve interim targets over several compliance periods.<sup>5</sup> The State determines compliance with RPS obligations over multi-year compliance periods, rather than strictly within individual years, in acknowledgment of the “lumpiness” of new resource additions and to provide some flexibility to utilities.

In 2024, renewable generation decreased relative to 2023 due to fewer short-term renewable contracts (less than 3 years) needed to meet RPS. Short-term renewable contracts are used to fill shortfalls in renewables needed to meet RPS compliance requirements, usually due to renewable project delays or under-delivery. SMUD acquired sufficient resources to meet all RPS compliance obligations for compliance period 4 (2021 – 2024) and continues to plan RPS eligible resources to meet future compliance period requirements.

## **Appendix C – Detailed Project Descriptions**

### ***Energy Efficiency and Building Electrification***

Our goal is to have building electrification and energy efficiency programs reduce GHG emissions by 365,000 MT in 2030, the equivalent of electrifying 112,000 single family homes (see Table 2 for progress on this goal). Table 3 provides a more detailed summary of some of our 2024 energy efficiency and building electrification accomplishments, including offerings for our income-qualified customers.

**Table 3: Energy Efficiency and Building Electrification Accomplishments**

Measures & Projects Highlights	Install Count
Commercial Retrofit Projects Completed	299
New Efficient Commercial Buildings Projects Completed	11
Multifamily Units Retrofitted	435
Efficient Induction Cooktops (Electric to Electric)	141
Efficient Induction Cooktops (Gas to Electric)	345
Residential Heat Pump Water Heaters Installed (Electric to Electric)	87
Residential Heat Pump Water Heaters Installed (Gas to Electric)	1,704
Residential HVAC Installations (Electric to Electric)	322
Residential HVAC Installations (Gas to Electric)	4,413
Residential Seal and Insulate Installations	343
All Electric New Homes and Multifamily units Constructed	1,689

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<sup>5</sup> Senate Bill 100 (De León, Chapter 312, Statutes of 2018) increased RPS targets to 44% by the end of 2024, 52% by the end of 2027, 60% by the end of 2030 and set a statewide planning goal to meet 100% of retail electricity sales with RPS eligible and zero-carbon resources by 2045.

Income-Qualified Measures & Projects Highlights	Install Count
Panel Upgrades	77
Heat Pump Space Heating (Gas to Electric)	324
Heat Pump Water Heaters (Gas to Electric)	143
Induction Stoves (Gas to Electric)	56
Induction Hot Plates for Renters	86
Total energy efficiency bundles and electrification measures <sup>6</sup>	2,026

### ***Transportation Electrification***

Our goal is to have our vehicle electrification programs reduce transportation GHG emissions by 1,000,000 MT in 2030, the equivalent of electrifying 288,000 vehicles (see Table 2 for progress on this goal). In 2024, we expanded our residential and commercial transportation electrification programs to support the adoption of transportation electrification throughout our service territory, with particular attention to under-resourced communities.

The residential Drive Electric program continued to promote the adoption of plug-in EV's through a variety of program offerings. Below are some metrics related to the residential Drive Electric program in 2024:

- EV Rate Credit - Approximately 54% of residential EV households, equivalent to 29,589 customers, participated in the EV rate credit (midnight to 6 AM EV charging discount).<sup>7</sup>
- Ride & Drive - Six EV Ride & Drive events were held across our territory, attracting 745 unique participants, including 173 from SMUD employee events.
- Charge@Home - 4,098 residential customers received incentives for EV chargers, installations/circuits, and/or circuit sharing devices through the Charge@Home program.
- EV Advisor - This program offered personalized one-on-one EV advice and support to 7,185 customers. Approximately 75% of inquiries were related to incentive information, while 18% were questions about charging.
- Clean Cars for All - We continued integral support of the Clean Cars for All program in partnership with Sacramento Metropolitan Air Quality Management District (SMAQMD). This program provides up to \$9,500 toward a new or used PHEV for income-qualified residents living in areas impacted by higher levels of pollution. We installed 27 EV chargers for income-qualified residents through Clean Cars for All.
- Income-Qualified Installations - We installed 189 EV supply equipment (EVSE) in addition to the chargers installed through Clean Cars for All, and 304 EV circuits, for income-qualified customers to prepare these homes for the future addition of an EV.

The Commercial EV Program updates for 2024 include:

- Commercial Installations - Total Commercial EV program incentives in 2024 included the installation of 611 level II EV chargers and 67 DC fast chargers. Level II chargers comprised of 591 installed through the Commercial EV program and 20 from the California Electric Vehicle

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<sup>6</sup> This includes all measures implemented for income-qualified customers throughout the year, including the electrification work for income-qualified customers highlighted in the previous rows (panel upgrades, heat pumps, induction stoves and hot plates), as well as installation of weatherization, LED light bulbs, bug screens, attic insulations, EV circuits, EVSE equipment, etc. This total also includes all neighborhood and business district electrification measures reported in Section 3E.

<sup>7</sup> SAP Installation Fact 5090 Rates report, and EPRI Vehicles in Operation report.

Infrastructure Project (CALEVIP) for publicly available charging. A total of 97 handles were installed at 10 individual equity projects serving under-resourced customers located in a disadvantaged community such as Mutual Housing and the Sacramento Food Bank.

- eFuel Services - The eFuel Advisor program delivered 44 customized reports to assist commercial fleet customers in developing fleet electrification plans, which included site analysis, charger recommendations, and cost estimates. The program anticipates further growth in 2025, supported by the CEC's REACH 1.0 grant in partnership with Mutual Housing.
- FAST Grant - Design commenced at three strategic locations in Sacramento including Sacramento International Airport (SMF), Sacramento Valley Station, California State University Sacramento for the CEC's FAST (Fast and Available Charging for All Californians) grant. This effort to deploy DC fast chargers will increase access to EV charging for ride-share drivers, food delivery drivers, rental car fleets, shared mobility services, nearby residents, long-distance travelers and the general public. The grant also funds a new EV App initiative aimed at increasing charging affordability for ride share drivers and income eligible multifamily residents.

### **Zero Carbon Resource Progress and Development**

Our project development pipeline for utility-scale zero carbon technology projects is shown in Table 4. The table includes completed, under development, and planned procurement activities since adoption of the ZCP in 2021.

**Table 4: Project Development Pipeline**

Project Name	Resource Type	Projected Online Year	Status (as of December 2025)	Size (MW)	Equivalent Homes Powered	Potential Emissions Avoided (thousand MT/year)
<b>Completed ZCP Projects - As of End of 2024</b>						
Hedge	Local Battery	2022	Online	4	800 (peak)	0
NTUA (Drew)	Regional Solar PV	2022	Online	100	34,600	121
Calpine Geysers	Geothermal	2023	Online	100	97,300	342
Solano 4 (Solano 1 Repower)	Wind	2024	Online	86	25,800	90
<b>Completed Subtotal</b>	<b>Generation</b>			<b>286</b>	<b>158,500</b>	<b>553</b>
	<b>Storage</b>			<b>4</b>		
<b>Planned ZCP Projects – As of End of 2024</b>						
Sloughhouse	Local Solar PV	2025	Online	50	15,400	54
CPP Retool (Turndown)	Thermal Retrofit	2025	Online	n/a	n/a	100
Hatchet Ridge	Regional Wind	2025	PPA Signed	101	30,500	107
Country Acres	Local Solar PV	2027	PPA Signed,	344	70,800	248
	Local Battery		Under Construction	172	34,400 (peak)	0
SunZia	Wind	2027	PPA Signed, Under Construction	150	54,200	190
S2PVI (Terragen)	Regional Solar PV	2027	PPA Signed	46	13,000	46
Dry Creek	Local Battery	2027	PPA Signed	160	32,000 (peak)	0
Grace	Regional Solar PV	2027	PPA Signed	70	16,300	57
Sutter CCS	CCS	2029	Under Evaluation	315	221,500	919
Calpine Geysers II	Geothermal	2028	PPA Signed	25	46,200	162
		2030		25		
Solano 2 Repower	Wind	TBD	Under Evaluation	94	36,400	128
Oveja Ranch	Local Solar PV	TBD	Under Evaluation	75	21,100	74

	Local Battery			38	7,600 (peak)	0
Curry Creek	Local Solar PV	TBD	Under Evaluation	156	49,100	172
	Local Battery			78	15,600	0
Coyote Creek	Local Solar PV	Delayed	PPA Signed	200	55,200	194
	Local Battery			100	20,000 (peak)	0
<b>Planned Subtotal</b>	<b>Generation</b>			<b>1,626</b>		
	<b>Storage</b>			<b>548</b>		
<b>Grand Total</b>	<b>Generation</b>			<b>1,912</b>		
	<b>Storage</b>			<b>552</b>		
					<b>739,000</b>	<b>2,451</b>
					<b>897,800</b>	<b>3,004</b>

Looking forward, we continue to explore various options to procure or develop additional renewable and zero carbon resources, including local solar and storage. Potential projects are thoroughly screened based on cost, projected online date, environmental and cultural impacts, and feasibility to ensure projects meet our specific requirements. We are actively discovering and pursuing new project opportunities in support of our 2030 zero carbon goal.

### ***Emerging Clean Energy Technologies and Grants***

In 2024, we continued to pursue and win grants for research efforts, clean energy installations, and customer focused GHG reduction projects as part of our ZCP. Below are projects we pursued in 2024. More information on our research and development work can be found in the 2024 SD-10 Report.

- Multifamily EV Charging Community: In December 2024, SMUD formalized a contract with the CEC for our awarded Reliable, Equitable, and Accessible Charging for Multi-family Housing (MFH) grant (GFO-22-614). Through our established MFH program, SMUD will deploy 300 Level 2 charging ports and 200 Level 1 charging ports to serve MFH units. These chargers will primarily be installed at MFH properties, with some also located at publicly accessible retail sites adjacent to MFH properties. At least 90% of these chargers will serve CalEnviroScreen 4.0 (CES4) priority populations and income-qualified residents.
- California Energy Reliability and Resilience Investment (CERRI) award: This project was awarded \$25.5 million in December 2024 and aims to install at least 230 network protectors along with more than 250,000 to 400,000 circuit feet (CF) of underground jacketed cabling. The purpose is to upgrade necessary protector and cabling sites to reduce the potential for grid failures due to flood, fire, and other external triggers. Contracting with the DOE and California Energy Commission (CEC) is anticipated to be complete by Q1 2026, with work scheduled to begin in Spring 2026. The expected period of performance is from 2026 to 2031.
- Charging and Fueling Infrastructure (CFI) award: In 2024, SMUD was awarded a \$11.3 million grant from the Federal Department of Transportation for the Charging and Fueling Infrastructure program. The project was designed to install over 90 Level 1 and Level 2 ports in strategic locations between Downtown Sacramento and Elk Grove. Per the application, more than 50% of sites were located in disadvantaged communities with a focus on retail and transit corridors. However, a presidential Executive Order in January 2025 effectively cancelled the grant. SMUD does not anticipate receiving funds or activating this project at this time.
- Meadowview Neighborhood Electrification award: The Federal Department of Energy (DOE) awarded SMUD a Congressionally Designated Spending (CDS) grant for energy efficiency and weatherization upgrades to 300 homes. The total CDS award of \$3 million was allocated on behalf of Congresswoman Doris Matsui. SMUD completed contracting with the DOE in September 2024, and the period of performance started in October 2024 with completion in September 2025. The project has since been completed and served a total of 350 homes-surpassing its original 300 homes goal.

## ***Local and Regional Benefits and Under-resourced Communities***

At SMUD, our community is at the heart of all we do. We are working with and listening to our customers to develop programs that support livable and resilient communities regardless of where they are on their journey to zero carbon. In 2024, this work included:

- **Building Electrification and Energy Efficiency** Continued expansion of efforts to provide no-cost energy retrofit installations to income-qualified residential customers, focusing on both gas-to-electric conversions and electric-to-electric upgrades. Notable income-qualified project highlights are found in Table 3.
- **Transportation Electrification** SMUD's EV programs provided low cost or free EV charging infrastructure for income-qualified customers along with expertise in home charging solutions. EV measures related to income-qualified customers are reported in the Transportation Electrification section above.
- **Flexible Demand Programs** Participation in SMUD's portfolio of flexible demand programs can sometimes require costly technologies, such as a smart thermostat, EVs, or solar and battery storage systems. Despite these barriers, we continued to explore more inclusive approaches for our load flexibility programs. For instance, Peak Conserve Program offers free installation of AC load control devices to ensure all customers can take part in our load flexibility offerings.
- **Customer-side Solar and Storage** In 2024, SMUD installed 31 solar PV systems for income-qualified customers, 19 of which included battery storage, enabling customers to participate in our virtual power plant program.
- **Shine Awards** The Shine Awards program invests in local nonprofit partners that execute inclusive and equitable projects through collaborations and partnerships supporting our historically under-resourced communities. In 2024, 84 organizations submitted applications and 29 projects totaling \$563,719 were awarded in 2024. Projects included clean energy and STEM education projects, native habitat improvement work, career education including expanded access to workforce development trainings and exposure to careers in trades, construction, and environmental work, and electric equipment upgrades for nonprofits.
- **Low-Moderate Income Strategy** In 2024, custom research was done to better understand the “missing middle”— customers who are low-to-moderate income, do not qualify for Energy Assistance Program Rate (EAPR), and may be resource-constrained. A greater understanding of their unique challenges, experiences, and electrical needs are now informing and being integrated into SMUD programs, processes, and offerings.
- **Sustainable Communities Resource Priorities Map** Our Sustainable Communities Resource Priorities Map continues to receive annual updates to the underlying data. It is a key resource, helping guide resource allocation toward reducing growing economic disparity in Sacramento County and ensuring the benefits of our ZCP are shared equitably among all communities.
- **Workforce Development** Our 2024 Regional Workforce Development programs recruited and trained individuals from Sustainable Communities target neighborhoods to work in areas directly impacting our region's ability to meet our 2030 zero carbon goals. In 2024, we worked with partners to train our community in skills related to solar, battery, EV, and electrification technologies and supported graduates with employment services such as connecting with employers, resume writing help, and career coaching. Key work in 2024 included:
  - Worked to ensure that largescale infrastructure and grant projects have demonstrable community benefits, and realized benefits in several SMUD projects, creating equitable pathways to the employment opportunities.
  - Continued to support the Electrician Trainee program with NCCT, which trained 55 people and placed 26 people in jobs leading to careers as electricians. The focus of the program is to help put more diverse apprentices in the IBEW pipeline.

- Partnered with Cosumnes River College to continue to support a Construction Electrification course that provides enrollees with a stipend to complete 36 hours of lecture and 54 hours of hands-on learning. The focus of the course is on understanding the importance of building electrification and how to install heat pumps, EV chargers, and other supporting electrical infrastructure. Upon graduation, students earn industry relevant certifications along with 3 course units that can be applied to a Construction Pre-Apprenticeship or Construction Management Credential. 64 individuals completed the class in 2024.
- Through our ongoing partnership with Grid Alternatives, 58 people received solar and electrification training, with 33 participants being placed into jobs.
- Salvation Army's construction training program incorporated a technology component into its curriculum with the support of SMUD, providing participants with Chromebooks. This access to technology also enhanced the learning experience for students in the Oak Park After School Program. In addition to energy efficiency improvement projects at the Salvation Army's Alhambra campus, the organization established an annual energy education program that aligns with SMUD's zero carbon plan.
- In an innovative pilot partnership with the California Conservation Corps (CCC), SMUD brought Vestas Wind Corporation to Sacramento to provide in-classroom training to local corps members and then sent participants to our Solano Wind project to practice climbing wind towers. With that experience, two CCC graduates found employment with Vestas at SMUD's wind facilities. The program is being expanded this year to target up to 10 positions at Vestas.

### ***Customer-side Solar and Storage***

Table 5 summarizes customer solar and storage installation data through 2024. By the end of 2024, SMUD had over 400 MW of cumulative customer solar and over 19 MW of cumulative customer storage.

**Table 5: 2024 Customer Solar PV and Storage Installations<sup>8</sup>**

	Residential		Commercial		Totals	
	Installed Systems	MW	Installed Systems	MW	Installed Systems	MW
Customer Solar PV	5,682	24.8	248	9.9	5,930	34.7
Customer Storage	460	4.2	6	5.0	466	9.2

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<sup>8</sup> This table includes net-energy metering (NEM), Solar Smart, virtual net-energy metering (VNEM), and Solar and Storage Rate installations.

**RESOLUTION NO. 25-12-09**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS**  
**OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-11, Public Power Business Model**, substantially in the form set forth in **Attachment I** hereto and made a part hereof.

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

## SACRAMENTO MUNICIPAL UTILITY DISTRICT

### OFFICE MEMORANDUM

**TO:** Board of Directors

**DATE:** November 20, 2025

**FROM:** Claire Rogers *CR 11/20/25*

**SUBJECT:** Audit Report No. 28007877  
Board Monitoring Report; SD-11: Public Power Business Model

Internal Audit Services (IAS) received the SD-11 *Public Power Business Model* 2025 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

CC:

Paul Lau

# Board Monitoring Report 2025

## SD-11, Public Power Business Model



### 1. Background

Strategic Direction [11](#), Public Power Business Model states that:

Supporting and strengthening the public power business model is a core value. Local decision making and flexibility are essential to effective and responsible local governance. Community-owned utilities are primarily accountable to their customers, not stockholders. Community citizens have a direct voice in public power decisions.

Preservation of this business model is vital to ensure public power systems continue to provide innovative solutions tailored to best meet the needs of their customers and communities.

### 2. Executive Summary

#### **SMUD is in compliance with SD-11.**

The SD-11 monitoring report updates the Board on our efforts to insulate SMUD from issues that may impact our local governance and provide the Board with a final status report on 2025 issues impacting this strategic directive. SMUD's interests are advanced in the legislative and regulatory arenas to the greatest extent possible. For instance, SMUD meets with key federal and state officials, both elected and appointed, with the driving purpose of educating them on the impact of new and existing policy.

***State Legislative.*** SMUD had several victories this year in the California Legislature that advanced the public power business model to ensure local decision making and flexibility. SMUD sponsored legislation critical to the advancement of carbon capture and storage technology by establishing state regulations for the safe transportation of carbon dioxide by pipeline [Assembly Bill (AB) 881, with the ultimate bill vehicle being Senate Bill (SB) 614]. We also supported the reauthorization of the Cap-and-Trade program (AB 1207), as well as legislation related to the West-Wide Governance Pathways Initiative for regional markets (Pathways Initiative), seeking to reform the California Independent System Operator Corporation (CAISO) functions and duties, and allowing for participation by electrical corporations (including investor-owned utilities) in a Regional Organization (AB 825). SMUD also opposed legislation to require individual load shifting targets with inappropriate effectiveness metrics to be developed by the California Energy Commission (CEC) (SB 541), which was ultimately vetoed by the Governor.

***State Regulatory.*** SMUD secured unanimous approval of its Load Management Standard (LMS) compliance plan from the CEC at the August 13, 2025, CEC business meeting. SMUD's plan finds that, at this time, incorporating dynamic pricing into its rates and programs would neither be cost-effective nor a prudent investment for its customers, but SMUD will continue evaluating dynamic pricing mechanisms and update its analysis in 2028.

At the California Air Resource Board (CARB), SMUD has advocated for additional flexibility in the Advanced Clean Fleets regulation – which requires public fleets to transition all medium- and heavy-duty vehicles to be zero emission – in response to changed market conditions and implementation challenges. While the rulemaking remains ongoing, CARB is proposing additional flexibility measures, such as delaying the requirement for all vehicle purchases to be zero-emission until 2030.

SMUD additionally engaged extensively with the State Water Resources Control Board (SWRCB) on

the development of a statewide utility wildfire general order that focuses only on activities that pose a risk to water quality and does not sweep in unrelated routine maintenance activities. In response to advocacy from SMUD and other impacted utilities, SWRCB delayed its anticipated adoption of the order, and SMUD continues to meet with staff and Board members to explore alternatives.

Finally, SMUD engaged in numerous other proceedings before state agencies to advance the public power business model and SMUD's strategic objectives, protect jurisdictional limits, and monitor potential changes to industry standards.

*Federal.* In October 2025, the U.S. Department of Energy (DOE) terminated SMUD's \$50 million Grid Resilience and Innovation Partnership (GRIP) grant for the Connected Clean PowerCity (CCPC) project, effective October 10, 2025. SMUD is actively working to recover eligible grant reimbursements through that termination date (approximately \$32.9 million) and has submitted all required documentation to support those claims. On November 4, SMUD initiated informal dispute resolution proceedings with DOE, seeking full reinstatement of the grant. Depending on the DOE's final determination, SMUD is evaluating next steps, including a potential appeal to the Senior Procurement Executive and, if necessary, pursuing litigation through the U.S. Court of Federal Claims to protect SMUD's financial and contractual interests.

On the legislative front, SMUD collaborated with national coalitions and partners to protect key clean energy tax incentives during federal budget reconciliation negotiations, which was enacted into law, the One Big Beautiful Bill Act (OB3), on July 4, 2025. While OB3 accelerates the phase out of certain renewable energy credits to offset tax cuts, SMUD and other advocates successfully preserved key provisions for tax-exempt municipal bonds and elective payment of clean energy tax credits. Credits for carbon capture, geothermal, and standalone energy storage were also retained. Beyond the Budget Reconciliation measure, SMUD continues to monitor federal discussions on permitting reform, including proposals that could accelerate environmental reviews and limit legal challenges for federally reviewed projects.

SMUD also tracked legislation to reauthorize the Cybersecurity and Information Sharing Act, which expired on September 30 and supported the "Fix Our Forests Act," led in part by Sen. Alex Padilla, which promotes forest management and wildfire prevention efforts. In regulatory matters, SMUD engaged in discussions on implementing new OB3 tax credit rules and followed EPA actions regarding greenhouse gas regulation. SMUD also maintained engagement with the Federal Energy Regulatory Commission (FERC), monitoring developments around integrating large energy loads such as data centers and evaluating potential implications for public power utilities under the Federal Power Act.

*Community Choice Aggregators (CCA).* AB 117 (2002) created Community Choice Aggregation and authorized local governments to aggregate customer electric load and become the default power provider in the service territory of an incumbent investor-owned utility (IOU). SMUD responded by offering to provide operational services to CCAs.

Today, SMUD offers 11 comprehensive services to CCAs: contact center, billing, debt collections, customer relationship management systems, data management, market research, data analytics, custom reporting, customer programs, electrification concierge, and marketing services. SMUD supports nine CCAs: Valley Clean Energy (VCE), Ava Community Energy (formerly known as East Bay Community Energy), Silicon Valley Clean Energy (SVCE), Marin Clean Energy (MCE), Sonoma Clean Power (SCP), Central Coast Community Energy (3CE), Apple Valley Choice Energy,

Redwood Coast Energy Authority, and San Jose Clean Energy (SJCE). CCAs enable their customers to access many of the same public power benefits that SMUD and other publicly owned utilities (POUs) have provided millions of Californians. Our support of CCAs promotes public power. CCAs also have

aggressive carbon reduction goals similar to SMUD's. Our support of CCAs promotes carbon reduction regionally. SMUD is leveraging our decades of experience as a utility, staff expertise, and existing systems to provide skilled services to CCAs, generating new revenue and strengthening SMUD's ability to provide cost effective public power service to our customers. There are currently over 25 active CCAs in California, representing nearly half of the state, and additional ones emerging or investigating the feasibility of starting a new CCA. The potential for new CCA clients for SMUD is great.

*California Independent System Operator Corporation (CAISO) Markets and Pathways Initiative* SMUD continues to see significant benefits with its participation in the CAISO's Western Energy Imbalance Market (EIM) since joining in 2019 through the Balancing Authority of Northern California (BANC). SMUD and BANC, as well as other EIM participants, have supported the extension of the EIM real-time framework to the CAISO's day ahead market under the CAISO's Extended Day Ahead Market (EDAM) initiative. FERC approved the CAISO's EDAM tariff filing in 2024 and EDAM implementation activities have begun with EDAM launch planned for Spring of 2026. With FERC's 2025 approval of BANC's EDAM Implementation Agreement, SMUD plans to join EDAM with the other BANC participants beginning in Fall of 2027.

To support EDAM, and further development of a west-wide market, multiple state commissioners in the west, including California, issued a letter to the Western Interstate Energy Board in summer of 2023 calling for the creation of an independent entity that could serve as a means of delivering a market for western states. The Pathways Initiative was created, and a broad stakeholder committee proposed a multi- step process to create an independent governing body that would enable a path forward for a potential west-wide fully organized market (a Regional Transmission Organization, or RTO). An independent governing body is seen by many entities outside of California as critical to participating in EDAM and other future markets. Earlier in 2024, as the first step, the CAISO approved elevating the EIM/EDAM Governing Body joint authority with the CAISO Board to primary authority over EIM/EDAM market matters. The second step is creation of a non-profit entity and transfer of governance authority over EIM/EDAM markets from the CAISO to this new "Regional Organization." With the passage of AB 825 this year, which amends existing California law applicable to the CAISO market governance, this second step to establish a Regional Organization is underway. Step 3 is potential continued future expansion of regionalized functions and services offered by the Regional Organization. SMUD views EDAM, and the Pathways Initiative, as important steps forward in the evolution of Western energy markets and it aligns well with SMUD's 2030 Zero Carbon Plan goals.

As SMUD's Strategic Plan indicates, internal and external factors are driving our business and shaping our business model. Legislative and regulatory uncertainty continues to be a threat to the Public Power Business Model (SD-11). SMUD takes positions on legislation and regulations based on the Board's Strategic Direction.

### **3. Additional Supporting Information**

Local decision making and flexibility are essential to effective and responsible local governance. We continued to guard local decision-making and flexibility as we pursued innovative solutions that met the needs of our customers and our community. High priority 2025 issues were as follows:

- Meetings with state legislators to highlight SMUD's legislative priorities to advance the public power business model.
- Sponsoring legislation to allow the movement of carbon dioxide via pipeline.
- Securing amendments or opposing bills to remove applicability of onerous requirements to, or costly requirements for, SMUD (e.g., SB 541, AB 810, SB 593).
- Grants capture initiatives to support SMUD's 2030 Zero Carbon Plan, including the GRIP II

grant, the Recompete grant, and Matsui earmark.

- Advocating for support of our priorities in the federal appropriations process, which determines the level of funding available for high-priority grant programs authorized in the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA).
- Defending against proposals to reverse the direct pay provisions enacted in the IRA.
- Meetings with key CEC and CARB policymakers on activities and needs related to SMUD's 2030 Zero Carbon Plan, including transportation electrification, building electrification, and load flexibility, to advance the public power business model.
- Continued outreach to the CEC regarding SMUD's compliance approach to the Load Management Standards regulation.
- Advocating for greater compliance flexibility within the Advanced Clean Fleets regulation.
- Advocating for a balanced regulatory approach regarding the SWRCB's Draft Utility Wildfire General Order.

#### **4. Challenges:**

SMUD continues to face prescriptive legislative and regulatory mandates for carbon reduction, renewable energy, resource planning, operational practices, building and vehicle electrification, and load flexibility, in part because of the State's robust climate change goals and their potential interplay with pending federal regulations. With SMUD customers still struggling as energy costs continue to rise, it is particularly important to defend against mandates and protect flexibility in order to limit increased costs for SMUD.

Changes to Cap-and-Invest (formerly, Cap-and-Trade) are on the horizon. CARB is picking up its pre-rulemaking activities in late 2025 after pausing them during the program's legislative reauthorization. In addition to developing new program budgets and requirements for the 2030-2045 period, CARB staff has long signaled a need to reduce allowance allocations before 2030 and the potential for more prescriptive requirements regarding the disposition of allowance value – both of which could significantly impact SMUD.

While state policy is increasingly recognizing the importance of a diverse set of resources to reliably and affordably achieve electric sector decarbonization goals, uncertainty remains regarding the definition of "zero-carbon resources," particularly emerging technologies, for purposes of the state's long-term goals. This uncertainty and potential lag time in updating state policy and regulations may pose some challenges for SMUD, as a POU that is making early investments in emerging technologies to support decarbonization goals that are faster than those of the state. The CEC is expected to hold a workshop in late 2025 on modeling results for the 2025 SB 100 Joint Agency Report, which is evaluating the tradeoffs of various scenarios – including one with no combustion of biogas, carbon capture, or hydrogen. CARB commenced activities in 2025 on the implementation of the carbon capture and sequestration program required by Senate Bill 905, but significant additional work will be needed within this proceeding and other regulations – like Cap-and-Invest and the Mandatory Reporting Regulation – to fully account for the emissions reductions benefits from resources like CCS. SMUD will continue to advocate for policies that recognize the renewable and zero-carbon resources needed to decarbonize our grid.

SMUD will continue to advocate for the advancement of policies that encourage beneficial transportation and building electrification, along with consideration of utility needs for accelerating the enabling infrastructure, and load flexibility. Transportation electrification has been a priority for the Newsom Administration, but affordability concerns, federal challenges to California's authority, and technological readiness in the heavier vehicle space are posing headwinds. In 2025, the Legislature enacted a moratorium that prevents updates to new building energy codes for residential construction,

and CARB has gone back to the drawing board on its rulemaking timeline and regulatory concepts for a zero-emission space and water heating standard. Load flexibility has the potential to deliver significant savings for SMUD and its customers, but overly prescriptive approaches that do not adequately consider customer experience or specific utilities' needs can erode that potential.

Additionally, SMUD continues to monitor California Public Utilities Commission (CPUC) proceedings that may attempt to assert jurisdiction over POUs (e.g., pole and conduits database, demand flexibility through dynamic rates, discharge permitting for electric utility maintenance tasks, resiliency activities, and General Orders).

## 5. Recommendation

It is recommended that the Board accept the Monitoring Report for SD-11.

## Appendices

### State Legislation that Impacted SD-11

#### **AB 881/SB 614 – Carbon Pipeline**

This year, SMUD sponsored a bill, AB 881, critical to the advancement of carbon capture and storage technology by establishing state regulations for the safe transportation of carbon dioxide by pipeline. A companion bill in the Senate, SB 614, had the same objective.

*Status:* SB 614 signed by Governor

*SMUD Position:* Sponsor

*Staff Comment:* To facilitate the development of carbon capture, utilization, and storage (CCUS), the California Legislature passed SB 905 (Caballero) in 2022. SB 905 included a provision prohibiting the transport of carbon dioxide via pipeline until the federal government updated existing safety standards. We now know it could take years to pass a federal pipeline standard, if at all. This would not only put the technology at risk but is jeopardizing hundreds of millions in federal funding for our project.

AB 881 will ensure that carbon capture and storage projects can proceed in a manner that is protective of public health and safety while also preserving existing jobs and creating new jobs. This technology will help advance not only SMUD's zero carbon goals, but the state's climate goals, as well. AB 881 had a companion bill in the Senate, SB 614, with language that mirrored the language in AB 881. Ultimately, SB 614 became the vehicle that passed and was signed into law by the Governor. This is an incredible victory for our project with the Sutter Energy Center.

#### **SB 540/AB 825: Pathways Initiative**

One of the highest priority bills for SMUD at the Legislature this year was a bill related to the West-Wide Governance Pathways Initiative for regional markets, seeking to reform the California Independent System Operator (CAISO) functions and duties and allowing for participation by electrical corporations (including investor-owned utilities) in a Regional Organization.

*Status:* AB 825 signed by Governor

*SMUD Position:* Support

*Staff Comment:* SMUD strongly supported SB 540, the original bill vehicle, as it was introduced, jointly with the California Municipal Utilities Association (CMUA), Northern California Power Agency (NCPA), and Balancing Authority of Northern California (BANC). SMUD believes the Extended Day-Ahead Market (EDAM) and the Pathways Initiative are important steps forward in the evolution of Western energy markets. EDAM enables improved intermittent resource integration by allowing participants to decommit less efficient resources in the day ahead timeframe, as opposed to only in the shorter real time window. The Pathways Initiative is critical for both reliability and affordability.

Unfortunately, soon after the bill was introduced, “poison pill” amendments were inserted into the bill in both the Senate Judiciary and Senate Appropriations Committees. These amendments would have given elected officials from California, in the form of an oversight council, the ability to unilaterally pull California utilities from this new market without a deliberative process. This oversight council language was deemed a non-starter by other Western states that would also look to participate in this Western market. These amendments forced us, along with almost every other energy stakeholder, to change position from support to oppose, although our position was nuanced. We opposed the bill in print, but we strongly supported passing a workable Pathways Initiative. We worked closely with other energy stakeholders to urge the Assembly and Senate leadership to agree to remove the amendments. We also worked closely with our delegation members, especially Senators Ashby and Cabaldon in the Senate, who were extremely helpful and supportive of SMUD’s position.

During the summer recess, the Governor’s office publicly supported our position of passing a “workable” SB 540 — meaning passing the bill without those poison pill amendments. As with many of the big bills this session, negotiations on the fate of SB 540 came down to the last minute. During overnight negotiations, the Senate agreed to remove the amendments and shift the bill language into a new vehicle, AB 825 by Assemblymember Petrie-Norris. Ultimately, AB 825 was very similar to the initial language in SB 540 and was broadly embraced by SMUD and other energy stakeholders.

### **SB 254/AB 825 – Energy Affordability**

The original versions of SB 254 and AB 825 were broad energy affordability measures, seeking to find a way for the state to help build, own, operate, and finance new transmission lines, among other things. Both bills were narrowed after the summer recess. Once AB 825 became the legislative vehicle for the Pathways Initiative (see above), SB 254 became the primary “energy affordability” bill.

*Status:* Signed by the Governor

*SMUD Position:* Watch

*Staff Comment:* SB 254 makes various changes related to investor-owned utilities (IOUs) and authorizes the state to do public financing and have ownership of electric transmission infrastructure. Important for us, the final version of SB 254 allowed for new flexibility on when POUs are required to submit their wildfire mitigation plans and required the California Earthquake Authority (which administers the IOU wildfire fund) to conduct a study of the current wildfire liability system for electric utilities and provide recommendations on potential changes to the system. One problematic provision in AB 825, which would have required a task force to review all utility demand side programs, was thankfully not included in SB 254.

### **AB 1207 – Cap-and-Trade Reauthorization**

AB 1207 reauthorizes Cap-and-Trade (renamed to Cap-and-Invest) until 2045. Fortunately, the bill

doesn't make any changes to the POU allocation amount or the "POU option" which allows us to use our allowances for compliance with the program. The bill does provide the California Air Resources Board (CARB) with the ability ("where appropriate") to transition "support" for gas corporations to electric utilities (including SMUD); electric utilities, in turn, would use that additional value to provide a credit to ratepayers. We'll see through the regulatory process how the potential transfer of allowances (or allowance value) from gas corporations to electric utilities will occur.

*Status:* Signed by the Governor

*SMUD Position:* Support

*Staff Comment:* At the beginning of the year, there was much speculation that the Legislature would attempt to reauthorize Cap-and-Trade. In anticipation of this, SMUD staff held a series of meetings with our legislative delegation and other relevant legislators to share our priorities for a Cap-and-Trade reauthorization – namely, retaining POU allowances as well as the "POU option." We had another round of meetings in late Spring to reiterate the importance of this program and the impacts POU customers would face should the allowance allocation amount be reduced or eliminated.

The two houses struggled to reach a deal, and it looked like Cap-and-Trade reauthorization was not going to happen this year. However, at the end of session, there was a flurry of last-minute negotiations among the Assembly, Senate, and Governor's office to reauthorize the Cap-and-Trade (now Cap-and-Invest) program until 2045. SMUD and other POUs supported the deal, as included in AB 1207, as it retained the POU option and did not make any proposals to reduce our allocation amount.

Overall, POUs fared well in the final legislation; however, some additional work needs to be done to implement the program, as CARB is now tasked with developing regulations to implement the newly reauthorized Cap-and-Invest program.

### **SB 840 – Greenhouse Gas Reduction Fund Spending Plan**

As part of the Cap-and-Invest extension negotiation, a key sticking point for many legislators was how the Cap-and-Invest auction revenues (through the Greenhouse Gas Reduction Fund, or GGRF) would be spent. Up until now, there have been a handful of "continuous appropriations" that automatically allocate approximate 60% of the fund to High-Speed Rail (HSR), transit capital projects, affordable housing near transit, and clean drinking water. This bill creates a new "waterfall" arrangement where a defined amount is still given to HSR and several other priorities off the top, but a \$1 billion check is also given off the top for the Legislature to spend as desired each year. Following those, percentages of the remaining funding are then allocated to priorities such as affordable housing near transit, community air quality, and healthy forests and fire protection.

*Status:* Signed by the Governor

*SMUD Position:* Supported the overall Cap-and-Invest bill package

*Staff Comment:* From the beginning of the session, it was clear that there were some members and stakeholders who cared primarily about how the GGRF was spent, while there were others, like SMUD, who were focused primarily on the program mechanics and protecting allowance allocations. SMUD remained focused on the programmatic issues, which proved successful. SMUD also believes that we will be well positioned to advocate for funding in the annual budget discussions, as we have done historically.

## **SB 541 – Load Management Targets**

SB 541 required the CEC to allocate load-shifting targets to retail electricity suppliers, like SMUD, and standardize measurement methods and determine the value of demand reduction by time and location.

**Status:** Vetoed by Governor

**SMUD Position:** Oppose

**Staff Comment:** SMUD opposed this bill due to the over-reach on our programs and rates. SMUD knows our resource needs, programs, and customers much better than the CEC. SMUD strongly pushed back against this bill and worked closely with CMUA to oppose it. We requested a veto from the Governor, and he ultimately vetoed the legislation.

## **SB 707 – Brown Act**

SB 707 places numerous additional requirements on local agencies including special districts, especially a few dozen of the largest special districts in the state, like SMUD, in addition to making numerous substantive and procedural changes. New requirements would include the translation of agendas, the facilitation of outreach to and inclusion of underrepresented groups, and the expansion of agenda posting requirements. The bill also incorporates other provisions from other Brown Act bills, including those related to subsidiary bodies and multijurisdictional bodies.

**Status:** Signed by Governor

**SMUD Position:** Watch

**Staff Comment:** SMUD worked through our trade association, the California Special Districts Association, on this bill, initially in an oppose unless amended position and ultimately moving to neutral with language that limited the bill's applicability to only larger special districts.

## **SB 858 – Local Government Omnibus**

Current law, under the Municipal Utility District Act (MUD Act), allows the board of directors of a MUD to fill a vacancy on the board through appointment under specified circumstances until the next district general election that is scheduled 90 or more days after the effective date of the vacancy. SB 858 provides that a person appointed to fill a vacancy holds office until the person elected has been qualified and takes office.

**Status:** Signed by Governor

**SMUD Position:** Watch

**Staff Comment:** East Bay MUD was able to resolve a discrepancy that exists in the MUD Act through this legislation. Absent this legislation, there is a gap between when the appointed person's term ends and the elected person's term begins. In other words, since the person appointed to fill a vacancy only serves until the date of the election, but the person that wins the seat in the election does not take office until the election is certified, there is a gap in representation.

## **SB 283 – Battery Storage Facilities**

SB 283 sets minimum safety standards and zoning requirements for all new battery storage facilities.

*Status:* Signed by Governor

*SMUD Position:* Watch

*Staff Comment:* In response to a January fire at a battery storage facility in Moss Landing, both Assemblymember Dawn Addis and Senator John Laird introduced legislation related to battery storage facilities. AB 303 was an attempt to ban the permitting of any battery storage systems. Senator Laird's SB 283 was a more moderate approach and was the more viable proposal on the topic. SMUD will have to follow safety protocols for any battery storage facilities.

## **AB 810 – Domain Names**

AB 810 adds special districts, joint powers authorities (JPAs), and other political subdivisions to the list of local agencies required to use ".gov" or ".ca.gov" domain names for internet websites and email addresses accessible to the public.

*Status:* Two-year bill

*SMUD Position:* SMUD worked through CSDA in opposition to this bill.

*Staff Comment:* The impact would have been widespread, costly, and potentially have impacts to our cybersecurity efforts. CSDA successfully advocated to get special districts removed from the bill, but we anticipate a similar effort to resurface.

## **SB 237 – Gas Affordability/LCFS**

SB 237 contains provisions to safely increase in-state oil production, while seeking to mitigate rising fuel costs. Importantly for SMUD, a prior version of the bill would have required CARB to amend the Low Carbon Fuel Standard program to reduce the maximum allowable credit price to be the average statewide credit price in effect on January 1, 2025, and would prohibit that amount from increasing annually more than the consumer price index.

*Status:* Signed by the Governor

*SMUD Position:* Watch

*Staff Comment:* SMUD joined a very large coalition of stakeholders who quickly acted to express the importance of the Low Carbon Fuel Standard program for our state's clean energy future. Ultimately, the LCFS provision was removed from the bill.

## **SB 445 – Transit Projects**

While SB 445 remained a spot bill through the first house, Senator Wiener ultimately amended the bill in a manner that would have allowed third-party entities, such as transit agencies, to move utility infrastructure if the utility did not respond to them within a certain amount of time. This had numerous safety, reliability and affordability issues. The bill got immediate pushback from several stakeholders, including POUs, and after multiple rounds of amendments, was finally narrowed to focus specifically on

projects located in the High Speed Rail project right-of-way, before becoming a two-year bill.

**Status:** Two-year bill

**SMUD Position:** Watch; worked through CMUA

**Staff Comment:** While significantly narrowed, the bill set a dangerous precedent in interfering with our ability to manage our assets. SMUD anticipates this bill will return next year.

## **State Regulation that Impacted SD-11**

### ***Load Management Standard (LMS) Regulation***

Amendments adopted in 2023 to the Load Management Standard (LMS) regulations require large California utilities, like SMUD, to develop marginal cost-based rates that change at least hourly for each customer class that is determined to materially reduce peak load, among other requirements. These amendments are intended to form the foundation of a statewide system utilizing automation to provide real-time demand flexibility on the grid. During the rulemaking process, SMUD advocated for an alternative compliance pathway that recognizes the role of utility programs and enables POU governing boards to weigh in early, via a compliance plan, on the cost-effectiveness of dynamic pricing and whether to propose it in rates or programs based on certain factors.

SMUD adopted its LMS Compliance Plan and submitted it for CEC approval in November 2023. Thereafter, CEC staff indicated that they did not believe that SMUD's Compliance Plan met the requirements of the LMS regulations, and the CEC's Executive Director issued a Deficiency Notice (Notice) that required SMUD to incorporate rates or programs with dynamic price signals or update the analysis provided in the Compliance Plan. While SMUD maintains that its original plan satisfied the regulatory requirements, SMUD revised and strengthened its analysis in response to the CEC feedback. SMUD's revised compliance plan was submitted to the CEC in December 2024. SMUD's plan finds that, at this time, incorporating dynamic pricing into its rates and programs would neither be cost-effective nor a prudent investment for its customers. However, SMUD plans to continue to evaluate dynamic pricing mechanisms.

**Status:** In August 2025, the CEC unanimously approved SMUD's LMS compliance plan. As part of the approval, SMUD will provide an updated evaluation of dynamic pricing during the triennial review of its compliance plan.

### ***Advanced Clean Fleets***

CARB unanimously adopted the Advanced Clean Fleets (ACF) regulation in April 2023. As originally adopted, the regulation required three market segments – large commercial fleets, public fleets, and drayage trucks – to transition their medium- and heavy-duty vehicles to zero-emission through either an annual purchase requirement or an optional fleet average requirement. The regulation includes multiple, but very narrow, exemptions from these requirements. For large commercial fleets and drayage trucks, CARB had sought a preemption waiver from the US EPA to enforce the rule, and CARB withdrew its waiver request in December 2024. CARB is now proposing to repeal those portions of the rule, an action which also provides a path to settle litigation. The rule remains effective for public fleets, like SMUD.

CARB initiated a rulemaking in August 2025 to repeal the privately owned and drayage fleet provisions and to narrowly incorporate statutory changes to public fleets' "daily usage" exemption. Leading up to and during the formal rulemaking process, SMUD and public power partners have advocated to

broaden the rulemaking to provide greater flexibility to public fleets in response to changing market conditions and implementation challenges. At the September 2025 CARB Board hearing, CARB staff proposed several additional flexibility measures – including delaying the 100 percent ZEV purchase requirement until 2030 and removing some exemption access barriers, particularly for the mutual aid exemption – which the Board directed staff to implement. While Board members were reluctant to direct broader changes given this rulemaking’s timeline and the desire to send a market signal, the Board directed staff to return with an update and opportunity for Board guidance on future changes, and several Board members expressed concern about affordability.

Status: CARB is working to develop 15-day changes to release for public comment in late 2025 or early 2026. The final rulemaking package must be submitted to the Office of Administrative Law no later than August 31, 2026.

### ***Draft Utility Wildfire General Order***

In June 2024, the State Water Resources Control Board (SWRCB) issued the *Draft Utility Wildfire and Similar Operations and Maintenance Activities Clean Water Act Section 401 Water Quality Certification and Waste Discharge Requirements General Order and Associated CEQA EIR* (Utility GO). The Utility GO covers eleven “project activities”, regardless of whether the activity is performed for wildfire mitigation, and the covered activities include regular maintenance activities like pole replacements, vegetation management, among others. Utilities performing these “project activities” within specific distances from “waters of the state” (WOTS) or in areas with specific slope and soil characteristics would be required to comply with the Utility GO requirements. SMUD staff have estimated at least 1,500 covered projects annually – chiefly vegetation management and pole replacements – many of which are unlikely to impact water quality, but the requirements could add significant costs and delays to SMUD’s work.

SMUD and an informal joint utility group have advocated for changes that would refocus the scope of the Utility GO on activities that pose a tangible risk to water quality and ensure that any project conditions or reporting requirements balance the need for oversight with operational needs. In April 2025, SMUD submitted comments detailing the impact of the Utility GO and providing specific recommendations. Throughout the summer and fall, SMUD has continued to meet with SWRCB staff and coordinate with partner utilities.

Status: SWRCB staff is working on potential revisions to the Utility GO and expects to present a final order to its board for approval in early 2026.

### ***Carbon Capture and Sequestration Program Implementation***

Senate Bill (SB) 905 (2022) requires CARB to establish a carbon capture, removal, utilization, and storage program; adopt protocols to support additional CCS and carbon dioxide removal approaches; adopt financial risk management and monitoring requirements for project operators; develop a voluntary unified permit application; and establish a public database and public reporting requirements. Importantly for SMUD, the protocols that CARB develops are expected to be the basis for recognizing emissions reductions from CCS in the Mandatory Reporting Regulation, Cap-and-Invest, and Power Source Disclosure regulations, among others.

Implementation of SB 905 has been delayed, in part due to staffing limitations at CARB. At a February 2025 overview workshop, SMUD presented the opportunities that CCS provides for its portfolio and highlighted the need for regulatory certainty across state programs and policies. In August 2025, CARB issued an information solicitation with detailed questions on program implementation. SMUD filed comments recommending that CARB prioritize developing protocols, project requirements, and

program integration for CCS applications that are commercially ready and have planned in-state deployments, like CCS retrofits of natural gas power plants.

Status: CARB is reviewing stakeholder feedback on program implementation.

### ***Corporate Greenhouse Gas Reporting and Climate Related Financial Risk Disclosure***

CARB is currently developing two corporate disclosure programs authorized by the Legislature in 2023: the California Corporate Greenhouse Gas (GHG) Reporting program (SB 253) and the Climate Related Financial Risk Disclosure program (SB 261). The GHG reporting program requires “business entities” that do business in California and have annual revenues exceeding \$1 billion to annually disclose their scope 1, 2, and 3 emissions. Business entities with annual revenues of \$500M are required to report climate-related financial risk reports every two years.

In December 2024, CARB indicated it was considering broadly interpreting “business entities” to include governmental entities. SMUD worked with its trade association to clarify this definition, and in August 2025, CARB agreed that governmental entities are not covered by these programs. While SMUD is not required to comply with these programs, information from SMUD may be needed to enable reporting for its customers that are subject to scope 1, 2, and 3 emissions disclosure requirements.

Status: CARB anticipates presenting a formal rulemaking package to its Board in early 2026.

### ***Power Source Disclosure Amendments***

SB 1158 (Becker) tasked the CEC with implementing new hourly GHG reporting requirements for retail suppliers of electricity, including SMUD. Under the new law, starting on January 1, 2028, retail suppliers will be required to report (1) sources of electricity used to serve hourly loss-adjusted retail load, (2) GHG emissions associated with each source, (3) annual total and average GHG emissions intensity, (4) annual avoided GHG emissions.

In 2024, CEC initiated a formal rulemaking to implement the requirements of SB 1158 and to update requirements for the annual Power Source Disclosure program and Power Content Label. SMUD engaged throughout the informal and formal rulemaking processes, both individually and through its trade association. In February 2025, CEC adopted proposed amendments that included many of the changes requested by SMUD, including a new category on the Power Content Label for emerging technologies, which could include technologies like CCS and green hydrogen.

Status: The Office of Administrative Law approved the CEC’s regulations in June 2025.

### **Delta Water and Hydro Impacts**

Two substantial Delta planning processes could potentially affect energy available for SMUD’s purchase from the Central Valley Project (CVP) and flows within the Upper American River Project (UARP) watershed: the Bay–Delta Water Quality Control Plan (Bay–Delta Plan), and the Delta Tunnel Project (successor to the Delta Conveyance Project, California WaterFix Project, which was in turn successor to the Bay Delta Conservation Plan).

Phase 2 of the Bay–Delta Plan is ongoing and could potentially affect SMUD by increasing the volume of water required for outflow into the Bay (Phase 3 would, if carried out, implement Phase 2 through modifications to water rights). A substantial change in Delta outflow and tributary flow requirements could, among other things, have a major impact on the timing of hydroelectric energy generation and even reduce generation overall in some year type scenarios. The State Water Resources Control Board (SWRCB) staff released a draft of one of the Phase 2 documents identifying an environmental need for

significantly more outflows (in short, 35 to 75% of all water is allegedly needed for outflow with staff recommending 45 to 65%).

Governor Newsom requested the SWRCB explore negotiation of voluntary agreements with water purveyors in lieu of imposing a strict plan. Work on the voluntary agreements process has been picking up speed and is now known as the Healthy Rivers and Landscapes Program. If adopted by its numerous sponsors and the SWRCB, the program would initiate aquatic habitat restoration and release of flows to support a healthier Delta ecosystem,

Approved in December 2023, the Delta Tunnel Project would involve the Department of Water Resources (DWR) building one new intake and a tunnel to complement the historical diversion of water through the Delta channels for the State Water Project (SWP). It had been expected the Project would involve the CVP as well, though that does not appear to be the case and the U.S. Bureau of Reclamation has not been participating, suggesting no CVP power would be used for the project. This is important because if provided by the CVP, power for the estimated 10-year construction effort and long-term operations would come out of supplies otherwise sold to public power contractors, the single largest share of which goes to SMUD under an existing long-term contract (which will be succeeded by a new contract). Using the tunnels would be part of an effort to maintain or even increase Delta watershed exports to Southern and Central California. Proponents have claimed the project would help reduce the historical impacts of the South of Delta pumps on special status fish species, though modeling by Northern California interests of the prior project suggests the reduced impacts have not been proven and in fact the opposite could be true.

In the meantime, the Delta Tunnel Project faces numerous legal challenges.

- (1) Numerous entities are in a legal battle over the project's compliance with the California Environmental Quality Act (CEQA). Most recently, on October 17, 2025, the Third District Court of Appeal lifted the trial court's preliminary injunction against DWR, allowing DWR to conduct preliminary geotechnical work for the project.
- (2) In January 2024, in another lawsuit the Court held that DWR lacked the authority to fund the project using revenue bonds. This ruling is on appeal. In the meantime, the project is using a mix of public and private funding.
- (3) DWR still needs to modify its water rights with the State Water Resources Control Board, which is typically a lengthy, contentious process that would predictably trigger another lawsuit.
- (4) Solano County (and possibly others) plan to file a lawsuit challenging the determination that the project is consistent with the Delta Plan.

Another setback is that this fall, Governor Newsom's proposal to have the Legislature streamline permitting for the project failed.

Staff Comment: SMUD is working closely with a coalition of water interests to evaluate the impacts of the Bay-Delta Plan and the Delta Tunnel Project to understand the implications for power generation and SMUD's water rights and hopefully to agree upon a voluntary agreement process as a substitute for a regulated process. SMUD is also working with DWR on how to serve the Project with power.

### **Federal Legislation that Impacted SD-11**

#### ***H.R. 4776 (Westerman): The “Standardizing Permitting and Expediting Economic Development Act” (SPEED Act)***

The SPEED Act would narrow the definition of “major federal action,” to expand categorical exclusions to reduce the need for duplicative analyses for projects, limit litigation only to parties that participate in public comment opportunities, and impose strict timelines on legal challenges for projects requiring

federal review. The bill has a Democratic primary cosponsor, but during a Natural Resources Committee hearing received significant criticism from Democratic Committee members. The SPEED Act has been endorsed by APPA. SMUD Federal Affairs will continue to monitor this legislation.

### ***Tax Policy***

As a municipal utility, SMUD relies on municipal bonds and utilizes all available financing mechanisms to decrease the financing costs of infrastructure investments and projects. Therefore, SMUD has continued to advocate for maintaining the longstanding tax exemption for municipal bond interest as well as preserving the ability of municipal utilities to access elective payment of energy tax credits as authorized under the Inflation Reduction Act (IRA).

The 2017 Tax Cuts and Jobs Act (TCJA) preserved the general exemption for municipal bonds, but removed it for advance refunding bonds, which are used to effectively refinance an original bond. SMUD has worked individually and through coalitions to restore the exemption for advance refunding bonds. Bipartisan bills in both the House and Senate that would restore advanced refunding are expected to be proposed, however such legislation is unlikely to be passed as a stand-alone bill.

The 2022 IRA included a provision that allows tax-exempt entities to receive refundable elective payments of various energy tax credits, making them directly available to public power utilities for the first time. SMUD has worked individually and through coalitions like the American Public Power Association (APPA) and Large Public Power Council (LPPC) to preserve the energy incentives and the ability of municipal utilities to elect elective payment of various energy tax credits.

The Budget Reconciliation bill, the “One Big Beautiful Bill Act” (OB3), which was enacted in July 2025, dramatically accelerated the phase out of credits for wind and solar projects, but preserved the IRA provision that allows tax-exempt entities to receive elective payments of energy tax credits. The 45Q credit for carbon capture was maintained, as was the credit for non-intermittent clean power sources like geothermal and stand-alone energy storage. SMUD has worked individually and through coalitions like the American Public Power Association (APPA), Large Public Power Council (LPPC), and the Business Council for Sustainable Energy (BCSE) to preserve the ability of municipal utilities to elect elective payment of various energy tax credits and maintain the tax exemption for municipal bonds. The ability to restore advance refunding was not considered as part of OB3. Most recently, the “American Energy Independence and Affordability Act” (H.R. 5862) was introduced to reinstate renewable energy tax credits that were rescinded in OB3. This legislation is not expected to advance in the current Congress.

### ***H.R. 471 (Rep. Westerman)/Se.1462 (Sen. Curtis): the Fix Our Forests Act***

In January, the House passed H.R. 471, the “Fix Our Forests Act,” with bipartisan support. The bill would expedite forest management activities on federal land, including several provisions to allow local governments and special districts to participate in assessing firesheds, provide a categorical exclusion for vegetation management in utility rights-of-way, and automatically approve utility vegetation management plans 120 days after submittal. A Senate version of the bill was introduced by Sen. John Curtis (R-UT), with Sen. Alex Padilla (D-CA)’s support as an original cosponsor. S. 1462 was advanced in the Senate Agriculture Committee by a broad bipartisan vote of 18-5, although some Democratic supporters indicated that a few provisions – including providing adequate funding for programs included in the bill – may need additional negotiation prior to consideration by the full Senate.

### ***CISA Reauthorization***

The Cybersecurity Information Sharing Act (CISA), which sets up policies and procedures for the voluntary sharing of cybersecurity threat information between and among the federal government and private entities (the definition of which includes public power utilities) and provides limited liability and

antitrust protection for these activities, expired on Sept. 30, 2025. Legislation to provide a clean reauthorization of CISA has been introduced in both the House, the “Widespread Information Management for the Welfare of Infrastructure and Government Act” (H.R. 5079) and Senate, the “Protecting America from Cyber Threats Act” (S. 2983). Most recently, a provision in the House Continuing Resolution (CR) to extend government funding, was included to provide a short-term extension of CISA. While reauthorization of CISA has bipartisan support, Senate Homeland Security Chairman Rand Paul (R-KY) is opposing a clean, long-term reauthorization. SMUD Federal Affairs will continue to monitor legislation and provisions in must-pass bills to reauthorize CISA.

### ***Pole Attachments***

Municipal utilities are exempt from federal regulation of pole attachments under Section 224 of the Federal Communications Act. However, the Federal Communications Commission (FCC) has taken steps in recent years that impact public power pole attachments. In September 2018 the FCC issued a declaratory order and ruling reinterpreting other sections of the law to impose fee limits and timelines on pole attachment applications. In March 2022, the FCC approved a Further Notice of Proposed Rulemaking (FNPRM) on the allocation of pole replacement costs and the resolution of pole attachment disputes. In Sept. 2025, the FCC adopted a Notice of Inquiry (NOI) on wireline infrastructure deployment and a Notice of Proposed Rulemaking (NRPM) on wireless infrastructure deployment, which will likely impact pole attachment agreements. SMUD has expressed concerns to its delegation about this federal intrusion, noting that it has developed pole attachment agreements with telecom carriers. Rep. Anna Eshoo (D- CA) introduced legislation in January 2019 to nullify the 2018 FCC order, and Senator Dianne Feinstein (D-CA) sponsored similar legislation in the Senate in June 2019. The bills have failed to gain bipartisan support or traction in either chamber, and they have not been reintroduced in subsequent congressional sessions.

### ***Appropriations***

As has been customary for many years, Congressional appropriators failed to pass yearly funding bills before the end of the fiscal year (Sept.30). Unlike most years, however, Democrats and Republicans were unable to reach a compromise on a Continuing Resolution (CR) to extend the previous year's funding levels, resulting in a 43-day government shutdown. On November 10, the Senate voted 60-40 to approve a three-bill FY 2026 minibus package (including Military Construction-Veterans Affairs, Agriculture and Legislative Branch appropriations) and extend funding for the remainder of the government through January 30, 2026. The House approved the Senate-passed funding deal on November 12, reopening the federal government. Appropriators are continuing negotiations for full-year funding for the remaining nine FY 2026 spending bills before the new CR deadline expires.

### ***Spent Nuclear Fuel Removal***

Unable to make progress on removing spent nuclear fuel to interim storage facilities, congressional attention has turned to reprocessing and decommissioning. The House Fiscal Year 26 Energy & Water Appropriations bill prohibits funds from being used to site a private interim storage facility, and the Senate has not yet released bill language. Meanwhile, Rep. Mike Lawler (R-NY) introduced a bill to provide additional oversight over how utilities use their decommissioning trust funds, the “Reactor Expenditure Accountability and Compliance Transparency Act.” Additionally, Rep. Mike Levin (D-CA) introduced legislation in 2024 to create a new government agency tasked with the disposition of used nuclear fuel, the “Nuclear Waste Administration Act.” This legislation is expected to be reintroduced, however it is not expected to advance in the current Congress.

## **Federal Regulatory Issues that Impacted SD-11**

### ***DOE/FERC Advance Notice of Proposed Rulemaking***

On Oct. 23, Energy Secretary Chris Wright sent FERC an Advance Notice of Proposed Rulemaking (ANOPR) proposing to expand FERC authority to large loads interconnecting directly to the interstate transmission system. If adopted, the rule would give data centers a pathway to bypass local utilities and access the grid directly, regardless of whether there is sufficient local power to support its operations. The proposal would, however, prioritize faster hookups for “hybrid facilities” (co-location where the data center builds its own power resources) and flexibility (through demand response, curtailment, switching to a battery, or activating a virtual power plant). SMUD will continue to monitor this issue, including through the Large Public Power Council.

### ***CAISO Markets and Pathways Initiative***

SMUD has a direct interest in finding long-term solutions to the challenges posed by the integration of intermittent resources, such as wind and solar. One solution has been the development of an EIM operated by the CAISO, and another solution is the CAISO's EDAM. In general, the EIM is a sub-hourly energy platform that automatically clears and dispatches the lowest cost electricity available to serve demand on a real-time basis, with EDAM providing similar functionality but with a day-ahead resource and scheduling commitment.

SMUD has successfully participated in the EIM, through BANC as the BA, since go-live on April 3, 2019, which has provided reliability, operational flexibility, and financial benefits. Given the success of EIM, which now covers a significant footprint in the west, the CAISO, with the support of SMUD, BANC, and other EIM participants, has developed an extension of the EIM real time framework to the CAISO's day ahead market, referred to as the EDAM. Like EIM, EDAM would broaden the access to regional resources for the reliable integration of renewable generation and better optimization of resources, only over a longer (day ahead) time horizon, and participation is voluntary. After a few years of negotiations, discussions, and stakeholder meetings, the CAISO Board of Governors and Western Energy Imbalance Market Governing Body jointly approved the EDAM framework in February of 2023. On August 22, 2023, the CAISO filed an EDAM tariff amendment with FERC, to which SMUD filed supportive comments. FERC ultimately approved the proposal on June 11, 2024. The CAISO began EDAM implementation activities in 2024 with EDAM launch scheduled for Spring 2026 with PacifiCorp and Portland General Electric as the first participants. SMUD, along with the other BANC participants, plans to join EDAM beginning in Fall 2027, in addition to Los Angeles Department of Water & Power (LADWP), Turlock Irrigation District (TID), and Public Service Company of New Mexico (PNM). Other EIM entities have also informed the CAISO of their interest in joining EDAM in 2028. Like EIM, EDAM remains a voluntary market, allowing SMUD the added flexibility to time its participation and pivoting later, should better options arise in the future.

Some parties outside of California have stated that a day-ahead market decision, such as participation in EDAM and market services beyond EDAM, hinges on the potential for representative, independent governance. In response, multiple western state commissioners, including California, issued a letter to the Western Interstate Energy Board in summer of 2023 calling for the creation of an independent entity that could serve as a means of delivering a market for western states. The West-Wide Governance Pathways Initiative (Pathways Initiative) was created and a stakeholder committee was formed to develop a governance proposal. Following an inclusive and broad set of stakeholder meetings and comment periods throughout 2024, the committee proposed a multi-step process to create an independent governing body that would enable a path forward for a potential west-wide fully organized market (a Regional Transmission Organization, or RTO). Earlier in 2024, as the first step, the CAISO approved elevating the EIM/EDAM Governing Body joint authority with the CAISO Board to primary

authority over EIM/EDAM market matters, which took effect in 2025. The second step is creation of a non-profit entity and transfer of governance authority over EIM/EDAM markets from the CAISO to this new “Regional Organization.” The CAISO would retain authority over its other functions such as balancing authority responsibilities, resource adequacy, transmission planning, and reliability coordination. The market governance transition would occur after FERC approval of a CAISO tariff filing. With the passage of AB 825 this year in the California Legislature, step 2 is now underway. Step 3 is a longer-term process that envisions future expansion of regionalized functions and services offered by the Regional Organization.

SMUD believes EDAM and the Pathways Initiative are important steps forward in the evolution of Western energy markets. EDAM enables improved intermittent resource integration by allowing participants to decommit less efficient resources in the day ahead timeframe, as opposed to only in the shorter real time window. The Pathways Initiative is aimed at solving a critical independent governance gating issue for broader participation in EDAM and other future market offerings. As we have seen with EIM’s gradual expansion, which now covers 80% of the load in the west, broader and more diverse participation throughout the west unlocks more reliability, operational flexibility, and financial benefits through regional diversity. Thus, EDAM and the Pathways Initiative align well with SMUD’s 2030 Zero Carbon Plan goals.

### ***Implementing OB3 Energy Tax Credits Provisions***

The Department of the Treasury and Internal Revenue Service (IRS) have been jointly issuing guidance to implement changes to clean energy tax provisions in the One Big Beautiful Bill Act (OB3). In August 2025, Treasury and the IRS released guidance on “beginning of construction” rules for wind and solar projects claiming tax credits, pursuant to the July 7 Executive Order directing strict enforcement of the phaseout codified in OB3. The new guidance significantly restricts eligibility by eliminating the existing 5% safe harbor for wind and solar projects that begin construction after Sept. 2, 2025. SMUD is awaiting guidance on new foreign entities of concern (FEOC) restrictions on supply chains and infrastructure material imposed in OB3. Treasury and IRS are working to issue guidance on domestic content requirements, which preclude entities from accessing elective pay after 2025, making it a crucial element of the process. SMUD is awaiting final guidance on post-2025 domestic content requirements. These guidance documents can have significant and material impacts on the value of the credits, particularly with respect to the elective pay provisions that allow public power systems to directly avail themselves of the credits.

**RESOLUTION NO. 25-12-10**

**WHEREAS**, this Board has adopted energy reliability and environmental leadership policies; and

**WHEREAS**, the **Sacramento Municipal Utility District (SMUD)** Board of Directors is responsible for overseeing and guiding the policies and operations of **SMUD** in accordance with its mission to provide reliable, sustainable, and affordable electric service; and

**WHEREAS**, on May 23, 2025, **SMUD** submitted a grant application to **California Department of Fish and Wildlife (CDFW) Sport Fish Restoration Act Boating Access: Rancho Seco Lake Invasive Mussel Prevention Grant (State designation Q2596910 and Federal designation F25AF0121500) (CDFW Grant)**; and

**WHEREAS**, the CDFW Grant provides funding for the installation of a single boat-washing machine plus foundation to prevent the potential spread of the invasive Golden Mussels; and

**WHEREAS**, SMUD was selected on August 5, 2025, to receive a \$91,161 grant award for the **Rancho Seco Lake - Invasive Mussel Prevention Project**; and

**WHEREAS**, CDFW requires a copy of an authorizing Board resolution for acceptance of the **CDFW Grant**; and

**WHEREAS**, the funds acquired from the **CDFW Grant** will enable SMUD to reduce the impacts of the invasive Golden Mussel; **NOW**,

**THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** This Board approves and ratifies the submittal of the SMUD's application to the **California Department of Fish and Wildlife (CDFW) Sport Fish Restoration Act Boating Access: Rancho Seco Lake Invasive**

**Mussel Prevention Grant (State designation Q2596910 and Federal designation F25AF01215-00) (CDFW Grant)** for a maximum of \$91,161.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized to execute in the name of Sacramento Municipal Utility District all grant documents, including, but not limited to, applications, agreements, amendments, and requests for payment necessary to secure grant funds and implement the **CDFW Grant** to fund the **Rancho Seco Lake - Invasive Mussel Prevention Project** to be completed by January 29, 2027.

**Section 3.** The authorizations of the Chief Executive Officer and General Manager, or his designee, under Section 2. above are effective for three years (3) from the date of adoption of this resolution.

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

President Fishman then turned to Discussion Calendar Item 14.a. and 14.b. pertaining to the 2026 Budget. He stated Item 14.a. is to adopt the 2026 Budget which, among other things, establishes:

- An Operations and Maintenance Budget of \$1,434.5 million (including Public Goods Charge of \$104 million);
- A Debt Service budget of \$216.3 million;
- A Capital and Reserve Budget of \$671.6 million; and
- Authorized contingencies.

He stated Item 14.b. is a Declaration of Intent to Issue Debt to create \$400 million of additional bonding authority to reimburse for qualifying capital expenditures, and Official Intent to reimburse for 2026, 2025 and 2024 capital expenditures from bond proceeds, which is required to maintain tax-exempt financing capability.

Scott Martin, Chief Financial Officer, gave a presentation regarding the 2026 Budget and borrowing authority. A copy of the slides used in his presentation is attached hereto.

No public comment was forthcoming for Discussion Calendar Items 14.a. or 14.b.

After some discussion, Vice President Tamayo moved for approval of Discussion Calendar Item 14.a., Director Rose seconded, and Resolution No. 25-12-11 was unanimously approved.

**RESOLUTION NO. 25-12-11**

**WHEREAS**, the proposed 2026 Budget is expected to result in a positive net income for 2026; **NOW THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** This resolution may be referred to as the 2026 Budget Resolution.

**Section 2.** (a) There is hereby appropriated from the General Fund sufficient monies for the payment of demands against SMUD which relate to obligations incurred for the purposes and within the amount specified for such purposes in the following projection of SMUD's program for the period January 1, 2026, through December 31, 2026.

Operations and maintenance:

Commodity - purchased power, fuel, and wheeling	\$592,500,000
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Public Goods	72,821,981
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Customer, energy delivery, zero carbon, workforce diversity & enterprise partnerships, information technology, corporate services & Rancho Seco	769,164,806
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Sub-Total	\$1,434,486,787
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Debt Service	216,304,879
Capital and reserve	671,569,501

<b>TOTAL</b>	\$2,322,361,168
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(b) The Commodity line-item budget is based on assumptions of average rainfall and temperatures during 2026. SMUD has in place a Hydro Generation Adjustment (SMUD HGA) mechanism whereby, based on the actual rainfall amounts between April 1, 2025, and March 31, 2026, in comparison to the budget assumptions, SMUD may transfer funds to or from the Hydro Rate Stabilization Fund and, once pre-established limits are met, increase or decrease customer rates accordingly. The Commodity line-item budget will be increased or reduced based on the actual transfer and/or change in customer revenues from the SMUD HGA adjustment.

(c) SMUD has budgeted to receive energy in 2026 under its contract with the Western Area Power Administration (WAPA). SMUD has in place a WAPA Hydro Generation Adjustment (WAPA HGA) mechanism whereby, based on the actual delivery from WAPA between April 1, 2025, and March 31, 2026 in comparison to the budget assumptions, SMUD may transfer funds to or from the WAPA Rate Stabilization Fund and, once pre-established limits are met, increase or decrease customer rates accordingly. This energy primarily is generated at Central Valley Project hydroelectric plants, and the actual quantity of energy received will be dependent on rainfall, carryover water storage and operation of the WAPA system to meet contractual water deliveries. Because WAPA generation facilities are spread over a wide area, insurance is not practical for offsetting variations of energy deliveries due to weather. One purpose of the WAPA Rate Stabilization Fund is to mitigate such variations. The Commodity line-item budget will be increased or reduced based on the actual transfer and/or change in customer revenues from the WAPA HGA.

Budgeted energy purchases necessary to meet customer energy sales requirements (10,819 GWh) are based on average weather conditions and expected customer growth in 2026. Should actual weather conditions or growth levels cause SMUD retail sales and related energy requirements to be higher, the Commodity line-item budget will be increased by the NP15 power price per megawatt-hour of additional retail energy sales to offset the cost of these sales.

(e) SMUD participates in regulatory programs such as Low Carbon Fuel Standard (LCFS) and cap-and-invest. Under these programs, SMUD has the option to monetize the credits and allowances applicable to these programs through sales transactions. When SMUD collects revenues through these sales, it is required to apply the proceeds toward specific expenses that support the program goals. An additional purpose of the Rate Stabilization Funds is to mitigate fluctuations from regulatory programs. The Accountant is hereby authorized to transfer funds to or from the Rate Stabilization Funds to

match LCFS and Cap-and-Trade revenues with expenses. The budgeted amounts will be increased or decreased accordingly.

(f) For purposes of Section 11891.6 of the Municipal Utility District Act, there shall be deemed added to each line item, in section 2a, a 10 percent contingency. Demands against SMUD which relate to obligations incurred for each line item and are within such line item amount plus the 10 percent contingency may be paid without prior specific approval of this Board, provided the total of such payments during 2026 may not exceed the total budget amount plus this 10% contingency, plus the commodity contingency and adjustments for weather hedge contracts, higher retail sales and Rate Stabilization transfers as set forth in paragraphs (b), (c), (d), (e) and (f) above.

**Section 3.** Demands against SMUD may be paid without the prior specific approval of this Board if they relate to obligations incurred for the purposes and within the amounts specified in Section 2, provided such demands are approved by the CEO & General Manager or someone to whom he has delegated such approval authority. It is the purpose and intent of this paragraph to delegate to the CEO & General Manager authority to make purchases, to negotiate and execute contracts, and expend funds in any manner necessary or appropriate to the administration of the business affairs of SMUD, all within the amounts and for the purposes set forth above, and subject to the provisions of existing law and of all the duly passed resolutions of this Board, including the Board-approved delegations of authority.

**Section 4.** At monthly intervals, the Treasurer shall transfer from the General Fund appropriate amounts into each of the various funds established to service SMUD's general obligation indebtedness, its Electric System Revenue Bond indebtedness, and its Electric Revenue Bond indebtedness in approximately equal installments as set forth in the tabulations on file with the Accountant. Investment authority, for all funds, is delegated to the Treasurer for a one-year period in accordance with California Code Section 53607.

**Section 5.** The number of permanent full-time employees during 2026 shall not exceed 2,295 employees plus a five percent contingency without further authorization of this Board.

**Section 6.** The Public Goods Charge shall be adjusted for expenditures of \$104 million, which exceeds the minimum of 2.85% of 1994 revenues. The percentage allocation for the public goods charge expenditures shall apply to low-income assistance, energy efficiency, research and development, and new renewable generation.

**Section 7.** The CEO & General Manager, or his designee, is authorized to make future changes to the **Budget** that, in his prudent judgment: (a) further the primary purpose of the **Budget**; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized **Budget** amounts and applicable contingencies.

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR ROSE				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

President Fishman then turned to Discussion Calendar Item 14.b., to adopt the Declaration of Intent to Issue Debt.

There being no further discussion, Vice President Tamayo moved for approval of Discussion Calendar Item 14.b., Director Herber seconded, and Resolution No. 25-12-12 was unanimously approved.

**RESOLUTION NO. 25-12-12**

Supplemental Resolution (Supplemental )  
to Resolutions No. 6457, 8107, 83-7-26 )  
as amended by Resolution No. 87-10-22, )  
No. 92-12-29, No. 93-12-19, No. 94-12-16, )  
No. 95-12-10, No. 96-12-07, No. 97-12-18, )  
No. 98-11-12, No. 99-12-10, No. 00-12-11, )  
No. 01-12-02, No. 02-11-04, No. 03-12-14, )  
No. 04-12-11, No. 05-12-13, No. 06-12-08, )  
No. 07-12-08, No. 08-12-05, No. 09-12-08, )  
No. 10-12-03, No. 11-12-08, No. 12-12-06, )  
No. 13-12-09, No. 14-12-13, No. 15-12-08, )  
No. 16-12-14, No. 17-12-13, No. 18-12-12, )  
No. 19-11-05, No. 20-12-14, No. 21-12-11, )  
No. 22-12-06, No. 23-12-10, and 24-12-07 )  
declaring the intention of the Board of Directors )  
of the Sacramento Municipal Utility District to )  
Authorize the issuance of additional )  
Revenue Bonds )  
\_\_\_\_\_  
)

**WHEREAS**, Sacramento Municipal Utility District ("SMUD") on  
July 23, 1970, May 2, 1974, and July 21, 1983, by the adoption by its Board of  
Directors of Resolutions No. 6457, 8107, and 83-7-26, as amended by  
Resolution No. 87-10-22 adopted October 1, 1987; Resolutions No. 92-2-11,  
No. 92-12-29, No. 93-12-19, No. 94-12-16, No. 95-12-10, No. 96-12-07,  
No. 97-12-18, No. 98-11-12, No. 99-12-10, No. 00-12-11, No. 01-12-02,  
No. 02-11-04, No. 03-12-14, No. 04-12-11, No. 05-12-13, No. 06-12-08,  
No. 07-12-08, No. 08-12-05, No. 09-12-08, No. 10-12-03, No. 11-12-08,  
No. 12-12-06, No. 13-12-09, No. 14-12-13, No. 15-12-08, No. 17-12-13,  
No. 18-12-12, 19-11-05, 20-12-14, 21-12-11, 22-12-06, 23-12-14, 24-12-07  
adopted by the Board of Directors on February 6, 1992, December 17, 1992,  
December 16, 1993, December 15, 1994, December 14, 1995, December 19,  
1996, December 17, 1997, November 30, 1998, December 2, 1999, December 7,  
2000, December 6, 2001, November 7, 2002, December 4, 2003, December 2,  
2004, December 1, 2005, December 7, 2006, December 6, 2007, December 4,  
2008, December 3, 2009, December 3, 2010, December 1, 2011, December 6,  
2012, December 5, 2013, December 4, 2014, December 3, 2015, December 1,  
2016, December 21, 2017, December 20, 2018, November 21, 2019, December  
10, 2020, December 9, 2021, December 8, 2022, December 14, 2023, and  
December 12, 2024, respectively (collectively, the "Prior Resolutions"), found and

determined that it was necessary to raise funds by the issuance of revenue bonds in the maximum principal amount of \$9,455,000,000 pursuant to Sections 12850, et seq., of the California Public Utilities Code (the "Act"); and

**WHEREAS**, in order to provide reliable electric service to its customers, it is necessary for SMUD to make certain capital improvements and other capital expenditures to its system, which capital improvements and other capital expenditures are designed to have useful lives of up to 40 years, or more; and

**WHEREAS**, to fairly apportion the costs of such capital improvements and other capital expenditures among SMUD's customers who will receive the benefits of such improvements, SMUD has determined to authorize the financing of such improvements and expenditures with bonds of SMUD; and

**WHEREAS**, to provide bond financing for such improvements and expenditures, it now appears necessary to increase the authorized issue of revenue bonds that may be issued by SMUD pursuant to the Act; and

**WHEREAS**, the Board of Directors of SMUD desires to inform its customers and the public of its plans for financing capital improvements and other capital expenditures to its system by specifying certain items for which the proceeds of said revenue bonds are to be used, which uses shall not include daily maintenance and operations costs; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** The Board of Directors of SMUD declares its intention to authorize the issuance of additional revenue bonds or Clean Renewable Energy Bonds for the purpose of financing, in whole or in part, the costs of the capital items identified in SMUD's 2026 capital budget, 2024 and 2025 capital expenditures not previously financed, the prepayment of purchased power or natural gas and the purchase of natural gas reserves, pipelines or storage facilities, for all of which SMUD is authorized by law to issue such bonds. SMUD has paid or reasonably expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with such capital items prior to the issuance of such bonds, and hereby officially declares its intent to use certain proceeds of such

bonds to reimburse the Reimbursement Expenditures. The declarations contained in this section are made solely for purposes of establishing compliance with Section 1.150-2 of the U. S. Treasury Regulations, and do not bind SMUD to make any expenditure, incur any indebtedness or proceed with the above-mentioned capital expenditures.

**Section 2.** The maximum principal amount of the additional revenue bonds proposed to be issued under this supplemental resolution is \$400,000,000. Such maximum principal amount is in addition to the \$9,455,000,000 principal amount of revenue bonds authorized pursuant to the Prior Resolutions. Such additional bonds may be issued in series from time to time, and it shall not be necessary that all of the bonds proposed to be issued be issued at any one time.

Proceeds from the issuance of these bonds will be used to finance capital improvements identified in SMUD's 2026 capital budget, 2024 and 2025 capital expenditures not previously financed, capital expenditures for the prepayment of purchased power or natural gas and the purchase of natural gas reserves, pipelines, or storage facilities. The declarations in this section are made solely to establish compliance with Section 12852 of the California Public Utilities Code, and do not bind SMUD to make any expenditure, incur any indebtedness or proceed with the above-mentioned capital expenditures.

**Section 3.** The maximum term of any of such bonds is 40 years. In the event the maximum authorized amount under a series of bonds is divided into two or more series, the said maximum term shall be calculated in each case from the date of each divided series of bonds.

**Section 4.** The maximum rate of interest to be payable upon such bonds shall not exceed the interest rate per annum equal to the greater of fifteen percent (15 percent) per annum or the yield of United States Treasury bonds having a remaining term equal, as nearly as practicable, to the final maturity of such bonds, as determined by SMUD as of the date of sale of such bonds, plus three percent (3 percent). The maximum discount with respect to such bonds shall not exceed ten percent (10 percent).

**Section 5.** This resolution shall take effect immediately, subject only to the right of referendum provided in Article 6a of Chapter 6 of Division 6 of the California Public Utilities Code (beginning at Section 12850 thereof).

**Section 6.** The Secretary of SMUD is hereby directed to publish a copy of this resolution once a week for two successive weeks in a newspaper of general circulation published within SMUD's boundaries. At any time within 60 days after the date of the second such publication, a referendum petition signed by voters in number equal to at least three percent (3 percent) of the total vote cast, as defined in Section 11507 of the California Public Utilities Code, demanding the submission of this resolution to a vote of the voters of SMUD for their assent to the issuance of the proposed bonds, may be filed with the Secretary of SMUD. Upon presentation to the Secretary of SMUD of such a referendary petition, this resolution shall not be of effect unless and until it has been assented to by the voters.

Approved: December 11, 2025

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR HERBER				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

President Fishman then turned to Discussion Calendar Item 15, to discuss a possible merit increase to the Chief Executive Officer and General Manager's base salary and/or performance bonus, pursuant to the Chief Executive Officer and General Manager's employment contract.

No public comment was forthcoming for Agenda Item 15.

President Fishman stated the Board had met in closed session to discuss Mr. Lau's performance and stated it had been stellar. Director Sanborn, Director Herber, Vice President Tamayo, and Director Bui-Thompson expressed their appreciation and admiration for Mr. Lau's leadership and contributions at SMUD and in the community and industry.

There being no further discussion, Director Kerth moved to approve a merit increase of three and one-half (3.5) percent effective the first pay period of 2026, Director Bui-Thompson seconded, and Resolution No. 25-12-13 was unanimously approved.

**RESOLUTION NO. 25-12-13**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS**  
**OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That the Board authorizes a merit compensation increase in the base salary for the Chief Executive Officer and General Manager of three and one-half percent (3.5%), to be effective the first pay period of 2026, in accordance with the terms of the Chief Executive Officer and General Manager's Employment Agreement.

Approved: December 11, 2025

INTRODUCED: DIRECTOR KERTH				
SECONDED: DIRECTOR BUI-THOMPSON				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE	X			
BUI-THOMPSON	X			
HERBER	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

President Fishman then called for public comment for items not on the agenda.

Celeste Aguilar spoke in opposition to the Coyote Creek Project.

Sean Wirth spoke in opposition to the Coyote Creek Project.

Lavender Wilson and her mother Fatima Malik spoke in opposition to the Coyote Creek Project.

Lisa Sanchez with River City Waterway Alliance spoke in opposition to the Coyote Creek Project.

John Weber stated his appreciation for assistance on various matters from SMUD employees Josh Langdon, Ernie Miller, Joey Penneman, Zachary Lawrence, and Toni Stelling.

Betty Chu spoke in opposition to the Coyote Creek Project.

Jade Wolansky spoke in opposition to the Coyote Creek Project.

Robert Ceasar Bovera-Spina spoke in opposition to the Coyote Creek Project.

Elaine Kavasch spoke in opposition to the Coyote Creek Project. A copy of Elaine Kavasch's written comment is attached to these minutes.

Amanda Bartell spoke in opposition to the Coyote Creek Project.

Kathaleen Cervantes spoke in opposition to the Coyote Creek Project.

Chris Bennett spoke in opposition to the Coyote Creek Project.

Liz Bramley spoke in opposition to the Coyote Creek Project.

Briona spoke in opposition to the Coyote Creek Project.

Paul Ladeira spoke in opposition to the Coyote Creek Project.

Sheila Whitney spoke in opposition to the Coyote Creek Project.

Dyane Osorio spoke in opposition to the Coyote Creek Project. A copy of Dyane Osorio's written comment is attached to these minutes.

Wendy Neilson spoke in opposition to the Coyote Creek Project.

Hazel Farrell spoke in opposition to the Coyote Creek Project.

Written public comment, copies of which are attached, was received from the following members of the public:

- Rick Codina
- Peter Hawley
- Tuesday Alvarez
- Andrea Serrano
- John Barney
- Cierra Ramirez
- Eva Saelens
- Romana Jimena
- Josh Daum

Vice President Tamayo stated he would like to receive a briefing on options, both contractual and legal, with regard to the Coyote Creek Project. He stated that, to the extent possible, he would like to have a public discussion on the matter.

President Fishman stated the Board appreciated the generally respectful and well-reasoned comments brought forward on the item.

Director Sanborn stated that it would be helpful to provide information on the public process the Board undertook when the project was approved four years ago.

Director Herber stated that she, too, felt it was important to engage around the process.

President Fishman then turned to Directors' Reports and asked Directors to keep their comments brief in light of the hour.

Director Rose stated he would not make a report for the evening.

Director Bui-Thompson stated none of her items were pertinent for discussion and were published, so she would pass on making a report.

Director Herber thanked staff and the Pocket Neighborhood Association for their participation in the annual Pocket Canal Holiday Lights event put on and organized by Councilmember Rick Jennings, Gil Canaday, Joe Flores and Devin LaVelle. She also thanked her Curtis Park neighbors for participating in a tree planting with the Sacramento Tree Foundation. She concluded by reporting on her attendance at the UA Local 447 Plumbers & Pipe Fitters 57<sup>th</sup> Annual Big Cheese Holiday Celebration and the Sacramento Labor Council's 25<sup>th</sup> Annual Salute to Labor Gala.

Director Kerth reported on his attendance at tree lighting events for the North Sac Chamber of Commerce and the Natomas Chamber of Commerce.

He reported on his speaking event with the Indus Valley American Chamber of Commerce. He concluded by reporting on her attendance at the UA Local 447 Plumbers & Pipe Fitters 57th Annual Big Cheese Holiday Celebration and the Sacramento Labor Council's 25th Annual Salute to Labor Gala.

Vice President Tamayo thanked Cameron Law, Executive Director of the Carlsen Center for Innovation and Entrepreneurship for the 7<sup>th</sup> Annual Sacramento Entrepreneurial State of the Union. He concluded by reporting on his meeting with the Arab Community Center for Integration Services.

Director Sanborn reported on her meeting with Villara, a company in her Ward that has developed a heating, ventilation and air conditioning (HVAC) motor that reduces energy usage by up to 40 percent. She concluded by reporting on her meeting, along with Director Kerth, with the Sacramento Tree Foundation.

President Fishman reported on his attendance at the California Energy Commission Clean Energy Champion Awards where Jaime Lemus from the Sacramento Metropolitan Air Quality Management District (SMAQMD) was honored.

Paul Lau, Chief Executive Officer and General Manager, reported on the following items:

**1) 2025 Highlights.** Thank you, President Fishman. I would like to extend warm wishes for the holiday season to everyone! I cannot thank the Board enough for your leadership this year and for being so active in our community. In 2025, the Board delivered 124 speeches and presentations! A special shoutout to President Fishman for all his leadership in serving as Board President this year. You have all been out front, and we appreciate everything you do for SMUD, our customers and community.

**2) Holiday Events.** This holiday spirit around SMUD has been extraordinary this year! Team SMUD was out in force at the 32nd annual Run to Feed the Hungry on Thanksgiving! This is

the largest fundraiser for the Sacramento Food Bank and Family Services. The event sold out this year, with over 34,000 runners, including many of our employees. Thank you, President Fishman, Vice President Tamayo and Directors Sanborn and Rose, for joining us. Next, SMUD's annual Gifts from the Heart drive, in partnership with Sacramento County, is helping brighten the lives of local families and individuals in need. SMUD employees gave 175 gifts to help make the holidays a little bit brighter this season. SMUD Cares is also collecting nonperishable food items to benefit local food pantries to make sure no one goes hungry during the holidays. And, finally, our Military Employee Resource Group is rounding up items for homeless veterans and for the Sacramento VA hospital. I am proud of everyone pitching in to make sure folks in our region are cared for during the holidays and all year!

3) **Watt's Cooking.** A few weeks ago, we teamed up with American River College to host *Watt's Cooking*, a high-energy, hands-on culinary experience to introduce high school students to the benefits of induction cooking and all-electric kitchens.

The successful event provided students with practical skills, environmental awareness and a creative opportunity to learn about electric cooking. Early next year, the students will come back for a cooking contest to put their new culinary and clean energy skills to work!

4) **Board Video.** Finally, for tonight's video, we are giving a behind-the-scenes look at the great work we have been doing in partnership with the U.S. Forest Service to improve recreational opportunities in our Upper American River Project (UARP). As part of our 50-year license with the Federal Energy Regulatory Commission to operate our UARP hydro system, we have been making recreational enhancements and improvements

throughout the area. There has been significant work over the last few years, and the team has been tracking progress with video footage this year. The videos showcase boating flows on the American River, our investments in campgrounds around reservoirs and paved and dirt bike trail improvements.

There were no items for the Summary of Board Direction.

No further business appearing, President Fishman adjourned the meeting at 7:39 p.m.

Approved:

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President

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Secretary



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## [EXTERNAL] Public Comment: General Board Meeting Dec 10/11 - Coyote Creek PPA

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From Marissa Mandell <marissa.mandell@gmail.com>

Date Wed 12/10/2025 9:28 PM

To Public Comment <PublicComment@smud.org>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear SMUD Board,

My name is Marissa Mandell, and I am a SMUD ratepayer, Chemist, Real Estate Agent, Graduate School Student / Teacher, and Constituent in Ward 4. I am writing to formally object to the execution of the Power Purchase Agreement (PPA) for the Coyote Creek Agrivoltaic Ranch (Sacramento Valley Energy Center).

Our review of SMUD's recent internal board packets indicates that this project is being pushed forward not because it is sound, but because staff is scrambling to meet missed targets. I urge you to intervene before ratepayers are locked into a liability.

1. "Panic Planning" Threatens Due Diligence According to the Zero Carbon Plan (ZCP) Update from April 16, 2025, SMUD is currently falling behind schedule, with a "Gap to Goal" of approximately 300 MW that must be online by 2026/2027. It appears this desperation to plug a hole in the 2030 dashboard has led staff to overlook the severe legal and environmental risks associated with the Coyote Creek project. We ask you: should ratepayers underwrite a flawed project just to check a box on a deadline?

2. Direct Threat to Resource Adequacy Your own Policy Info Packet from today (Dec 10, 2025) lists "Resource Adequacy" as a top strategic priority. Relying on a project currently mired in a "Pay-to-Play" controversy and unmitigated CEQA violations actively undermines that goal. By approving a project with such a documented trail of conflicted money (flowing from the developer's agents to the County Supervisors), SMUD invites a judge to issue an injunction. If this project is halted by a lawsuit, the power you are counting on for your 2026 adequacy disappears, leaving us exposed.

3. Financial Liability The August 21, 2025 Board Packet admits that PPA costs are rising across the portfolio due to supply chain issues. Sticking with a legally vulnerable project like Coyote Creek is a financial liability, not an asset. If it fails during construction due to these legal clouds, SMUD will be forced to buy replacement power on the spot market at premium rates.

**I urge you to suspend this PPA and demand an independent review of the project's legal stability.** Do not gamble our rates on a project that requires "calculated compliance" to pass a vote.

Sincerely,  
Marissa Mandell

(916) 213-0350  
Elk Grove, 95758



## [EXTERNAL] Board of Directors' meeting 12.11.25 Consent Item #10

**From** Gabrielle Katanic <gmstadem@gmail.com>  
**Date** Wed 12/10/2025 9:00 AM  
**To** Public Comment <PublicComment@smud.org>  
**Cc** davetamayo2@gmail.com <davetamayo2@gmail.com>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This is for the Board of Directors' meeting 12.11.25 Consent Item #10

Thank you for the opportunity to comment. I want to begin by saying that I strongly support renewable energy, and I have always been a proud SMUD customer because of your long standing leadership in clean power. That is why I was shocked and disappointed to learn about the contract for the Coyote Creek Solar Project.

This project would remove thousands of mature oaks, damage rare valley grassland ecosystems, and impact vernal pools that support unique plants, wildlife, and threatened species. These habitats are some of the most biodiverse in California. They cannot be recreated once they are cleared. Calling this project green energy does not match the reality on the ground.

Last night I attended a community meeting about Coyote Creek. The room was full with hundreds of people, to the point of standing space only. People were upset and deeply concerned that SMUD would support the destruction of intact oak woodlands in the name of renewable energy. These are hundred year old oaks that store large amounts of carbon and provide food, shelter, and nesting habitat for birds, mammals, insects, and pollinators. Cutting them down does not move us any closer to climate resilience.

Earlier that same day I received a letter from SMUD thanking me for paying extra each month to support renewable energy and encouraging me to consider paying even more for locally sourced renewables. The irony of that letter would have been comical, if the consequences were not so dire. And to receive that letter while I was on my way to a meeting about a project that would erase one of the most fragile ecosystems in our region, made me incredibly disappointed with SMUD actions thus far. I cannot support a green energy program if my money will be used to destroy oak woodlands and valley grasslands.

Your own Strategic Direction SD 7 on Environmental Leadership states that SMUD will conduct its work in a sustainable manner that minimizes environmental impacts, protects tribal and cultural resources, conserves natural resources, and enhances regional biodiversity. Moving forward with the Coyote Creek Solar Project would directly conflict with this commitment. It would also undermine the trust that customers have placed in SMUD to lead on climate solutions without sacrificing the natural heritage of our region.

There are many other options for solar development on disturbed or previously developed lands. There is no need to choose a site that would remove irreplaceable habitat for only thirty years of power generation. Destroying centuries of ecological value for a few decades of panels simply does not make sense.

I urge you to reconsider this project and pursue renewable energy options that truly support your environmental commitments. We can reach zero carbon goals without sacrificing oak woodlands, vernal pools, and wildlife habitat.

Thank you for your time and for listening to the community. I realize that there are immense challenges in the fight against climate change, but I find it hard to believe that this is the answer. It certainly feels like one step forward and three steps back.

Gabrielle Katanic  
Sacramento Resident

# Exhibit to Agenda Items #14a & 14b

Adopt the following:

- a. **2026 Budget** which, among other things, establishes:
  - An Operations and Maintenance Budget of \$1,434.5 million (including Public Goods Charge of \$104 million);
  - A Debt Service budget of \$216.3 million;
  - A Capital and Reserve Budget of \$671.6 million; and
  - Authorized contingencies.
- b. Declaration of Intent to Issue Debt to create \$400 million of additional bonding authority to reimburse for qualifying capital expenditures, and Official Intent to reimburse for 2026, 2025 and 2024 capital expenditures from bond proceeds, which is required to maintain tax-exempt financing capability.

Board of Directors Meeting

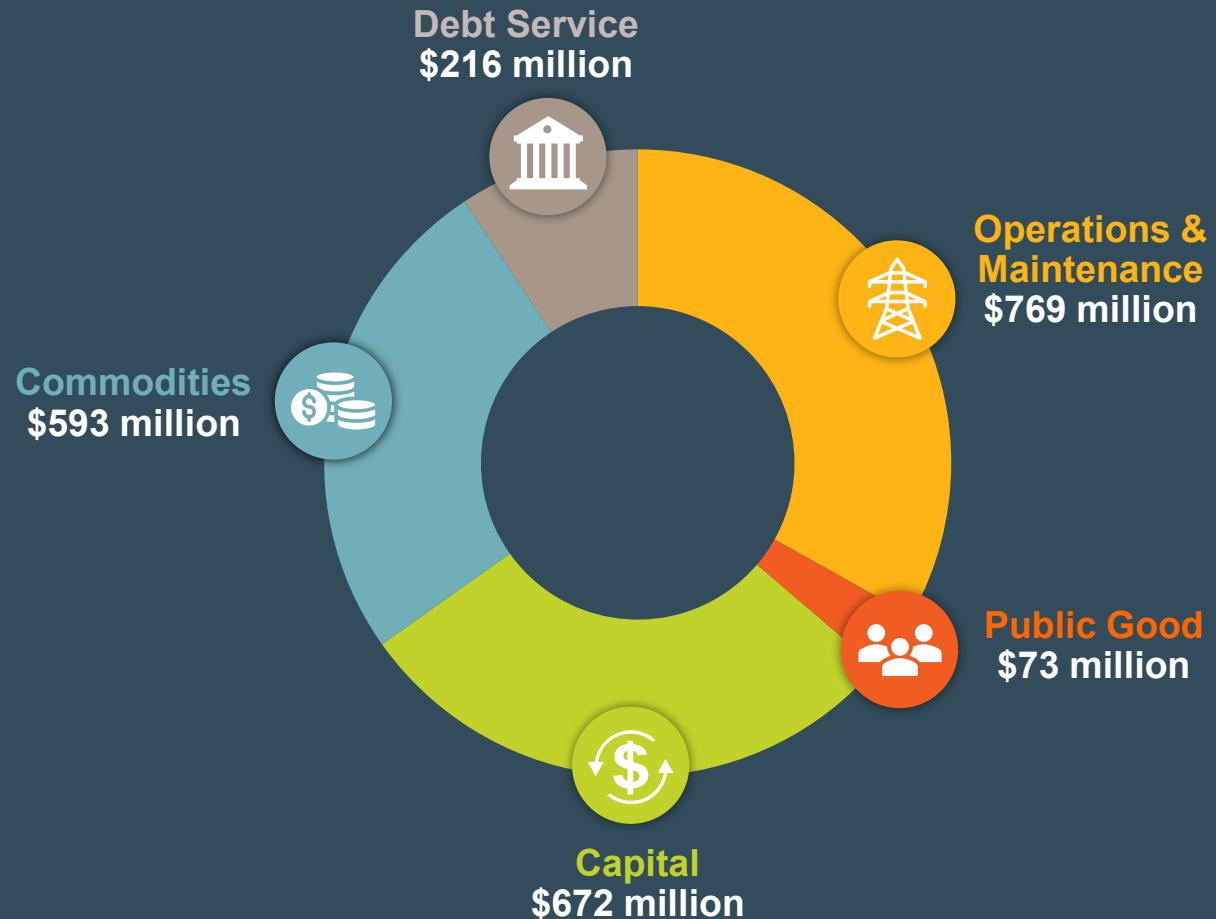
Thursday, December 11, 2025, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

# 2026 Budget Timeline



# Board Request: \$2.3 Billion 2026 Budget



## 2026 SMUD Budget

- Authority for Rate Stabilization Fund transfers
- Provisions for adjusting budget authority
- Staffing level

## Debt Management

- Declaration of intent to issue debt
- Reimbursement of capital expenditures from bond proceeds

## Employee Pay Schedule

- Required by law

# 2026 Budget Net Income

Electric Sales	\$1,931
Other Revenue	74
<b>Total Revenue</b>	<b>\$2,005</b>
Commodities	593
Business Unit O&M	842
Other Costs/Income	344
<b>Net Income</b>	<b>\$226</b>

\$Millions

## Positive net income

- Helps offset capital costs
- Manages current and future risks
- Ensures we can meet our minimum financial metrics

# Request to Approve SMUD 2026 Budget

- 2026 SMUD Budget Resolution
- 2026 Debt Resolution



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## [EXTERNAL] No Solar at Coyote Creek

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**From** Elaine Kavasch <ekavasch@gmail.com>

**Date** Thu 12/11/2025 6:56 PM

**To** Public Comment <PublicComment@smud.org>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I am a resident of the Sacramento area for almost a decade now.

The Coyote Creek solar project is permanently and irreversibly destructive to the land, species including endangered, vernal pools, and sacred tribal resources.

Last night, I attended a board meeting where SMUD shared their extensive work and environmental & zero carbon goals for 2030, which include supporting biodiversity, reducing carbon impact, impact on species and the land, and their continued work to provide affordable power to low income communities, and support the underserved community.

The Coyote Creek project does not align with the goals and values that SMUD has set for itself, and actually backtracks, destroying 400+ year old Oaks and priceless vernal pools which are a haven for biodiversity, borders state park lands and threatens one of the locally accessible spaces for disabled individuals. It was not properly researched, and was pushed through without proper comment or approval from local tribes. This does not sound like a company that can or will sustainably meet its goals, especially because it is only set to last about 30 years.

I don't think anyone in this room can truly comprehend the true effects of removing and destroying hundreds of years of trees and species, and sacred tribal land for something that will be irrelevant by the time I retire. Research shows that mitigation efforts will be wholly insufficient. This land will be permanently destroyed for generations. Taken from us, from our children, for our children's children and so on.

Having lived in the Bay Area in the wake of the San Bruno disaster, I know, once trust is lost in the utility companies that trust is never regained. One thing that has stuck out to me is the trust, care, and appreciation that the community has for SMUD. You have the community watching and aware. Once those irreplaceable resources are lost the trust in SMUD goes right along with it.

There are so many other things that Sacramento residents have to fight against, our neighbors are losing food and healthcare, are neighbors are on the streets, now our neighbors are being kidnapped, our neighbors are losing their accessible spaces. Please do anything you can to ensure this project does not go through.

Thank you,  
Elaine Kavasch



## [EXTERNAL] Public Comments - Opposing the Coyote Creek Project

From Dyane Osorio <dyanejosorio@gmail.com>

Date Thu 12/11/2025 7:11 PM

To Public Comment <PublicComment@smud.org>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear SMUD Board,

### Opposing the Coyote Creek Project

My name is Dyane Osorio, and I'm a long-time SMUD customer that has been a Green Energy customer for over a decade now, who strongly supports clean and renewable energy. I want to start by saying clearly:

I am not against green energy. I am against unnecessary destruction in the name of green energy.

Coyote Creek is a vital natural area — a living corridor of heritage trees, and wildlife habitat. It is a third of Blue Oaks in Sacramento County. Once these heritage trees are gone, they are gone forever. You cannot "mitigate" a 150-year-old oak. You cannot replace a functioning riparian habitat with a landscaping plan.

I urge SMUD to consider what many of us already know: there are viable alternative sites for this project that do not require clear-cutting heritage trees or damaging a sensitive creek ecosystem. The Sacramento valley areas contain large expanses of flat, brown, previously disturbed land that are far better suited for infrastructure development. These spaces offer the same operational benefits without the irreversible environmental harm.

We are simply asking SMUD to do what a responsible public utility should do:

- Protect our natural resources
- Plan responsibly and transparently
- Choose sites that minimize ecological damage
- Honor the community's trust

The idea that we must "bomb" or bulldoze heritage trees to meet clean-energy goals is a false choice.

We can and must transition to renewable energy while also protecting the ecosystems that make this region worth living in.

I'm asking SMUD board to take this on, conduct a full and genuinely community-informed alternatives

analysis, and seriously pursue the valley locations that already possess the characteristics you need — without sacrificing Coyote Creek.

We all want a greener future. Let's make sure that future still includes the trees, wildlife, and waterways that make Sacramento home.

Dyane Osorio

Dyane J. Osorio

Pronombres: Ella/She/Her

\* Reducir \* Reutilizar \* Reciclar \* Comprar Reciclado \*Usar siempre las escaleras  
\* Reduce \* Reuse \* Recycle \* Buy Recycled \*Always use the stairs

"Se ha demostrado que la competencia es útil hasta cierto punto y no más, pero la cooperación, que es por lo que debemos luchar hoy, comienza donde termina la competencia". - Franklin D. Roosevelt

"Competition has been shown to be useful up to a certain point and no further, but cooperation, which is the thing we must strive for today, begins where competition leaves off." - Franklin D. Roosevelt

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>>Consider the environment before printing any document<<

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Dyane J. Osorio

Pronombres: Ella/She/Her

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"Competition has been shown to be useful up to a certain point and no further, but cooperation, which is the thing we must strive for today, begins where competition leaves off." - Franklin D. Roosevelt

\*\*Consider the environment before printing any document\*\*

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**[EXTERNAL] General Comments SMUD Board Meeting December 11, 2025**

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From coyote1@surewest.net <coyote1@surewest.net>

Date Wed 12/10/2025 3:21 PM

To Public Comment <PublicComment@smud.org>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

## **Comment on Coyote Creek Agrivoltaic Contract** **SMUD Board Meeting December 14, 2025**

As Board members are aware, the County Board of Supervisors approved the permitting and final EIR for DESRI's Coyote Creek project last week, despite 5 hours of opposition testimony from environmentalists who packed the auditorium, two over-flow rooms, the lobby and an upstairs remote site commissioned for the evening.

Opposition submittals exceeded 800 comments from a full range of groups including the Sierra Club, Audubon Society, Native Plant Society, Defenders of Wildlife, ECOS, 350 Sacramento, tribal representatives, and the off-road vehicle community. Also speaking out were a large number of individual wildlife field biologists, botanists, arborists, and ecologists familiar with the habitat that will be clearcut of more than 3,200 oaks, many Champion Blue Oaks that are more than 200 years old.

Despite Supervisor approval of the project, the coalition is pressing on with litigation and other planned action. This photo is of a follow-up community meeting on Tuesday night, December 9<sup>th</sup>, with more than 250 attendees:



The group of course is interested in what SMUD's future role with the project will be. The current contract requires SMUD to purchase power from the project, but that PPA is more than two years out of compliance, with the original start date having been set for December 2023. More relevant is that with tariffs and the cost of delays, DESRI may very well be submitting a revised offer asking for a higher purchase price than the 3.32 cents/kWh currently in the contract. This requested change should trigger the requirement for full Board approval.

If DESRI and SMUD were to renegotiate a new contract, this would raise several questions:

1. Would a new contract consideration re-set the legal enforcement of current silence on the project, leaving Board members free to express their opinions and concerns about the project prior to a vote?

2. Would SMUD authorize a review of the site utilizing the environmental criteria it failed to invoke prior to the 2021 PPA approval? And how would these findings influence a vote on a new contract?
3. Finally, how would SMUD ensure that in this new round, the public will be provided with adequate time for review and comment?

Generally, SMUD staff presents a summary of any abridged contract before the Finance and Audit subcommittee for discussion and review. The new contract then moves on to the full Board for approval, most often as a Consent Item. However, in this case, I believe the Board should consider the following accommodation given the high interest by the community of SMUD customers concerned about this project:

- The Board should commit to setting up a public hearing on any new Coyote Creek contract.
- SMUD should provide timely notification of the hearing, including direct emails using the mailing list of interested parties to be provided by the coalition.
- The venue should be able to accommodate the expected large crowd of 200- 300 attendees.
- 

Because of pending litigation, we are all unclear about the timeline or SMUD's next steps for the Coyote Creek project, presently listed only as "Delayed." But at this point, answering these basic questions will help clarify how SMUD customers can meaningfully engage in this important issue in the future.

Thank you,  
Rick Codina  
350 Sacramento



## [EXTERNAL] Public Comment on Coyote Creek Agrivoltaic Ranch Project

**From** peter hawley <peterhawley07@gmail.com>

**Date** Thu 12/11/2025 3:08 PM

**To** Public Comment <PublicComment@smud.org>

**Cc** supervisorserna@saccounty.gov <supervisorserna@saccounty.gov>; supervisorkennedy@saccounty.gov <supervisorkennedy@saccounty.gov>; richdesmond@saccounty.gov <richdesmond@saccounty.gov>; supervisorrodriguez@saccounty.gov <supervisorrodriguez@saccounty.gov>; pathume@saccounty.gov <pathume@saccounty.gov>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Peter Hawley

3734 Portsmouth Cir N, Stockton, CA

[peterhawley07@gmail.com](mailto:peterhawley07@gmail.com)

December 11, 2025

To Everyone Involved,

My name is Peter Hawley, and I am a concerned California citizen. I am writing to SMUD and the Sacramento Board of Supervisors today to express my strong opposition to the Coyote Creek Solar Project, which proposes to replace Sacramento's invaluable old-growth oak forests with solar panels.

The removal of these trees would result in irreversible damage to our ecosystems, local biodiversity and natural resources. It will destroy 1,400 acres of some of the last remaining oak woodlands in the Central Valley and would kill over 3,000 blue oaks, many of which are hundreds of years old. This project will endanger dozens of listed and sensitive species like the tri-colored blackbird, burrowing owl, vernal pool fairy shrimp, and western spade foot.

As someone who values the natural preservation of Sacramento and of our entire planet, I urge you and the county government to consider a less destructive alternative. If we cannot harness solar energy without sacrificing our old-growth ecosystems, what does that say about the future of green energy and our commitment to upcoming generations?

While I am not a resident of Sacramento as of right now, I've spent the last few years working in the area as a para educator, and I am concerned about the future I see for both my generation and those younger than I. I have gone on field trips with students to some of the very same vernal pools and woodlands that this project intends on destroying. Preserving and relaying a future for new generations to invest in is important to the health and stability of any society. In the 29 years that I've been alive so far, I have yet to see people in power live up to this ideal, though I try to remain hopeful

despite evidence to the contrary. From my experience, children as of right now do not carry this sense of hope, even reluctantly. They are aware that their prospects in life are dwindling, that things are getting worse, that no one in their proximity is truly doing anything to change things. All they can expect going forward is fighting to survive another day, to passively accept their lot in life but to not strive for much else. They have been given absolutely no reason to invest in their own lives or of those around them as they see the world literally decaying right in front of them. What example are we setting for those younger than us if the only solution to climate change is to destroy what's left of the natural world? What are we actually preserving for them to enjoy and care for? What messages are we instilling in them, when a small group of people make a very pivotal decision with no input from the communities that this will affect for generations to come? In taking away trees, wetlands, and animals, we are also effectively robbing children of any hope for a stable future that they can actually live in. We are robbing them of having any real faith in themselves and that they can change things in the world. This project is not sustainable, does not have the public's interests in mind, and it'll be my generation and those younger holding the bag on the environmental havoc this will wreak in years to come. Sacramento's natural landscapes hold a special place in my heart and as someone who intends on living in the Sacramento region in the near future, I don't want Sacramento losing its own identity for a project that at best might last for a few decades and will be a complete fire hazard for what remains of the natural environment and of the people living nearby. If this project actually goes through, I can only see the worst possible outcomes.

I urge you all to seek sustainable solutions that prioritize the preservation of our old growth forests. We must advocate for a future where renewable energy and nature can coexist.

Restoring such diverse habitats could take centuries. We cannot promise the protection of these ecosystems beyond our lifetime. This unique environment must be preserved for both current and future generations.

A government should actually work with its people to protect a system that defines the entire region and people's livelihoods. I implore you all to take a stand for our forests and for the future of humanity.

Thank you all for this urgent matter.

To end, I leave you all with these selected quotes from Leah Thomas in *The Intersectional Environmentalist* (2022):

*We should care about the protection of people as much as we care about the protection of our planet — to me, these fights are the same. .... Ignoring the existence of systemic inequality and privilege only leads to denial, which allows unjust systems to flourish. If we don't name the problem and really understand it, then we can't take action to right the wrongs of the past and move forward with a more equitable society and environment for all people regardless of race, culture, or background.*

Sincerely,

— Peter Hawley



Outlook

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## [EXTERNAL] SAVE COYOTE CREEK

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**From** Tuesday Alvarez <tuesdayalvarez93@icloud.com>

**Date** Thu 12/11/2025 11:14 AM

**To** Public Comment <PublicComment@smud.org>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

My name is Tuesday Alvarez , and I am a proud resident of Sacramento. I am writing to you today to express my strong opposition to the Coyote Creek Solar Project, which proposes to replace our invaluable old-growth oak forests with solar panels.

The removal of these trees would result in irreversible damage to our ecosystems, local biodiversity and natural resources. It will destroy 1,400 acres of some of the last remaining intact oak woodlands in the Central Valley and would kill over 3,000 blue oaks, many of which are hundreds of years old. The project will endanger dozens of listed and sensitive species like the tri-colored blackbird, burrowing owl, vernal pool fairy shrimp, and western spadefoot.

As someone who values the preservation of Sacramento, I urge you to consider a less destructive alternative. If we cannot harness solar energy without sacrificing our old-growth ecosystems, what does that say about the future of green energy and our commitment to upcoming generations?

I urge you to seek sustainable solutions that prioritize the preservation of our old growth forests. We must advocate for a future where renewable energy and nature can coexist.

Restoring such diverse habitats could take centuries. We cannot promise the protection of these ecosystems beyond our lifetime. This unique environment must be preserved for both current and future generations.

Let us work together to protect the ecosystems that define our region. I implore you to take a stand for our forests and for the future of humanity

Thank you for your time on this urgent matter.



## [EXTERNAL] Save Coyote Creek

From Andrea Serrano <[andrea.serrano678@gmail.com](mailto:andrea.serrano678@gmail.com)>

Date Thu 12/11/2025 5:52 PM

To Public Comment <[PublicComment@smud.org](mailto:PublicComment@smud.org)>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear board,

As a proud Sacramento resident for 30 years, please save Coyote Creek from corporate greed. I express my strong opposition to the Coyote Creek solar project, which proposes to replace our invaluable old growth oak forests with solar panels.

The removal of these trees will cause irreversible damage to the diverse eco system, local bio diversity, and natural resources.

Preserve the beauty of nature and the rights of animals who call it home. Think about future generations and listen to nature! I urge you to consider a less destructive alternative and to listen to those who are fighting hard for a better more ecological future.

Thank you,  
Andrea S  
95757



## [EXTERNAL] Stop the coyote creek solar plant

From John Barney <johnbarney.re@gmail.com>

Date Thu 12/11/2025 6:12 PM

To Public Comment <PublicComment@smud.org>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This facility is too close to town and valuable ecological areas are threatened. The vernal pool ecosystem is very unique on this planet and we are lucky to have examples right here in our area. Coyote creek will only grow in popularity as our area continues to grow. It would be easy to select sites that have already been utilized like large warehouses or parking areas. The land around the airport would be a better place to put solar panels. Point blank the panels need to be farther from our valuable eco systems that are so easily accessible by our local public. Please choose a site farther out and DO NOT CLEAR CUT any Oaks! Its important to our area and the enjoyment by its inhabitants.

I repeat. DO NOT destroy coyote creek when there are other options.

JOHN BARNEY



Outlook

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## [EXTERNAL] SAVE COYOTE CREEK

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**From** Cierra Ramirez <cilramir@gmail.com>  
**Date** Thu 12/11/2025 6:19 PM  
**To** Public Comment <PublicComment@smud.org>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To whom it concerns,

I can't believe in the year 2025, Coyote Creek is a suggested location for a project like this. This suggests that nobody cares about life on this planet, or in our region. This suggests that money is still the only thing that matters to you folks. And/or you're very lazy and cruel.

Climate catastrophe, unchecked, will assure nobody is around to see those solar panels taken down in 30 years. Because that is how dire our situation is. We will all be gone, and the super wealthy will be on the moon destroying outer space. Duh duh duh duh.

How could you be so cruel and lazy and heartless. Save Coyote creek. No on this f.u.c.k.i.n.g. project.



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[EXTERNAL] Coyote Creek

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**From** Eva Saelens <incaore@gmail.com>  
**Date** Thu 12/11/2025 7:15 PM  
**To** Public Comment <PublicComment@smud.org>

CAUTION: This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To whom it may concern,  
I am writing as a resident of Northern California and a lover of the Sacramento area.

I was mortified to discover that an important solar energy project has been situated on land that does not deserve to be destroyed. Coyote Creek is an irreplaceable jewel in the crown of Sacramento County. While we all know that alternative energy projects like solar farms are the only way forward, this project has deep flaws and must not proceed.

SMUD failed to do adequate research on this parcel before committing to this project. This project is painfully riddled with errors and will not hold up in court. The process to sanely and responsibly execute this project was never enacted. The community will not stand for the loss of this land due to bureaucratic shrugs.

We are facing a difficult future as a civilization due to our addiction to energy sources that threaten the planet. The path forward is nuanced, sensitive, intelligent, and humble. Please recognize that this project was not properly vetted and take the public's objection seriously. It's time to abandon this project and embrace the nuance needed to do Solar developments in the correct way. Look to rooftops, look to parking lots, look away from coyote Creek because we won't stand for you destroying this land.

Thanks  
Eva Saelens

Sent from my iPhone



## [EXTERNAL] Public comment

From Ramona Jimena <ramona.jimena@yahoo.com>

Date Thu 12/11/2025 8:17 PM

To Public Comment <PublicComment@smud.org>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Board Members,

Thank you so much for taking the time to read my email. I attended the board meeting tonight and wanted to share my feelings about the coyote Creek project. I thought it was very insightful to watch the members of the Board while people spoke both in person and online to watch how you reacted. I was sad to notice that one of the board members, Nancy, was not there as I feel it is important that every single one of the board members here's from the people you represent and your community. The community of Sacramento is very fond of SMUD, which was also addressed in the meeting, and I believe for a long time somebody have the best interest of the community members of Sacramento County. I do, however, see a disconnect with this coyote Creek project. It doesn't represent who or what mud says they are and where they want to grow As a not for profit electric company. Coyote Creek does the exact opposite of what green energy is supposed to be all about it's supposed to support community members for generations and generations. Something I learned tonight at this meeting with that this project is only good for 30 to 35 years that you're taking away generations of enjoyment for families in this area. I think it's very backhanded of mud to approve this project because it not only ignores everyone who lives in the community, but it also ignores what actual love for the environment does. I believe it's a greenwashing at its finest, and I strongly encourage you to find a way to either move the location of this project or to find a way to back out of this Project. Because it is not in the best interest of SMUD or the community to continue thank you for reading my email

A local resident and smart customer

Ramona Jimena

[Sent from Yahoo Mail for iPhone](#)

---

**[EXTERNAL] Coyote Creek public comment**

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From Josh Daum <irkwoo@yahoo.com>

Date Thu 12/11/2025 8:49 PM

To Public Comment <PublicComment@smud.org>

**CAUTION:** This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear SMUD,

I grew up in Sacramento decades ago, and consider it my long-term home town. My parents spent their lives there as well.

One of the best things about Sac County is its trees.... We all know Sacramento is famous for its trees, in fact. What a delight to have a city and so much urban sprawl that still retains trees to such an extent that it is noteworthy, and gives a region a reason to be known...

This, of course, is because of how contrasts function.

So many places around the country do NOT have trees like Sacramento County does. It is special for a reason!... As one of the remaining places that exists as both a large population center, and space for the natural world to continue thriving as it always has, and as it should.

The Coyote Creek solar project is an abomination of an idea, and I say that as someone who supports solar and renewable energies.

These technologies are necessary, and effective, and remarkable.

But.... Not here. Not at Coyote Creek.

Why?? What solar aims to do is reduce emissions and generate energy so that the natural world can recover from the damage brought on by countless other destructive decisions we have made as an industrial society over the last 100 years. But here at Coyote Creek, we have an example where the idea is to take out and destroy the very type of place that renewable energies are supposed to augment and support... only in order to replace it with a solar project that begins its own life cycle deeply in negative territory, due to the environmental damage that we will sustain just to create it!

It is backwards, and unnecessary.

We should be looking to increase our reliance on renewable energy, yes... Of course!

But tearing out old growth oak trees, destroying vernal pool ecosystems, and ridding this area of its ability to support animal biodiversity, fog events, and healthy soils immediately negates the benefits that a solar project can bring in this particular area. Proponents will argue back - "But the area isn't producing any energy for US right now, so it's useless land!"

But... no it isn't! It is doing more work than the solar farm will ever do... because it supports life systems, biodiversity, and the health of many more species, groups, individuals, soil, water, and air... The sorts of things that the transition to renewables purports to have in mind when it goes about stating its goals for why it should be used in the first place.

It absolutely sickens me to think of thousands of blue oak trees being torn up, naturally occurring vernal pools being ignored and paved over, and all the animals and smaller plants that are already thriving here being ignored and pushed out... and they will never return! There is NOTHING renewable about a permanent alteration to an already healthy ecosystem.

Find another location. You will have my support and the support of the community. There are other locations available, no doubt!

Have your investors buy up old parking lots or malls, or gravel areas, or whatever already dry and sunny and TRULY "barren" areas already exist.

The oak trees in Coyote Creek are very old and very special. Sacramento is a jewel of a place for having areas like this. Please don't keep paving over every piece of wildlands that remain... There are plenty of other places to go for a project like this.

We cannot trade:

Over a thousand acres of native habitat, oak woodlands, oak savannah, healthy grassland, water and pools, and rare native species...

....For merely plastic, asphalt, and electricity.

It's not a good trade. No investor could possibly pay enough for what this land is truly worth.

It is worth more than you will receive, and this is a fact you cannot refute.

It is worth more than the money that can be extracted by destroying what is already there.

If this project goes forward, I pledge to remain on-site and will not leave the area until you do. I will chain myself to these trees and happily die there with them if you move forward and kill them.

This is my pledge that you will have to murder at least one human if you want to pave this area over.

I will be there.

You will have to go through me.

Josh Daum  
Sacramento, CA



SSS No. SCS 25-345

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 01/14/26
Board Meeting Date
January 15, 2026

TO				TO			
1. Tara Porter		6.	Scott Martin				
2. Casey Fallon		7.					
3. Brandy Bolden		8.					
4. Farres Everly		9.	Legal				
5. Jose Bodipo-Memba		10.	CEO & General Manager				
Consent Calendar	X	Yes	No <i>If no, schedule a dry run presentation.</i>	Budgeted	X	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Doug Moore	DEPARTMENT Procurement			MAIL STOP EA404	EXT. 7069	DATE SENT 12/22/25	

**NARRATIVE:**

**Requested Action:** Authorize the Chief Executive Officer and General Manager, or his designee, to negotiate and award contracts to Eagle Systems International, Inc. dba Synergy, Sierra Valley Mechanical, and Clarke & Rush (collectively, the “Contracts”) to provide residential assistance services for a three-year period from approximately March 1, 2026, to February 28, 2029, for a total aggregate not-to-exceed amount of \$40 million across the Contracts.

**Summary:** Request for Proposals 116928.DM (RFP) was issued in September 2025 to solicit qualified firms to deliver a comprehensive range of services, including heating, ventilation and air conditioning (HVAC) repair, maintenance, and installation, electrification, and weatherization measures. SMUD seeks to support eligible residential customers in managing their electric bills through enhanced equipment efficiency, electrification and strategic energy-saving installations.

**Recommendation:** Award to the three Highest Evaluated Responsive Proposers: Eagle Systems International, Inc. dba Synergy, Sierra Valley Mechanical, and Clarke & Rush

Bidders/Proposers Notified by Procurement: 147

Bidders/Proposers Downloaded: 51

Pre-Bid/Pre-Proposal Conference Attendance: 11

Bids/Proposals Received: 3

Responsive Proposals Received	10 Points SEED	55 Points Technical	35 Points Pricing	Total Score	Overall Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
Eagle Systems International, Inc. dba Synergy	10.00	52.00	35.00	97.00	1	\$36,787,603	\$250,000	\$36,537,603	NTE: \$40,000,000, Aggregate of all Task Authorizations
Sierra Valley Mechanical	10.00	49.25	34.88	94.13	2	\$36,917,043	\$250,000	\$36,667,043	
Clarke & Rush	10.00	48.92	32.32	91.23	3	\$39,820,044	\$250,000	\$39,570,044	

Supplier Diversity Program: Eagle Systems International, Inc. dba Synergy has committed to 20% Supplier Education & Economic Development (SEED) subcontracting. Sierra Valley Mechanical, and Clarke & Rush are both verified SEED Contractors.

**Board Policy:** Board-Staff Delegation BL-8, Delegation to the CEO with Respect to Procurement; Procurement principles followed in this award include, but are not limited to: a) Competition, e) Economic Development, f) Environmental Procurement, and g) Responsible Bidder(s).

**Benefits:** Continuance and development of a program that benefits SMUD's most disadvantaged community members.

**Cost/Budgeted:** \$40,000,000; Budgeted for 2026 - 2029 by Customer & Community Services, Customer Assistance.

**Alternatives:** Extend, amend and add funds to current contracts.

**Affected Parties:** Supply Chain Services, Customer & Community Services, Contractors

**Coordination:** Supply Chain Services and Customer & Community Services

**Presenter:** Tara Porter, Director, Customer Operations & Assistance

**Additional Links:**

SUBJECT	ITEM NO. (FOR LEGAL USE ONLY)
Contract Award for Residential Assistance Services	7

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SMUD-1516 10/15 Forms Management

Page 1

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, in September 2025, SMUD issued Request for Proposal No. 116928.DM (RFP) to solicit qualified firms to provide residential assistance services; and

**WHEREAS**, three proposals submitted in response to the RFP were evaluated; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1.** As a result of such examination, **Eagle Systems International, Inc. dba Synergy, Sierra Valley Mechanical, and Clarke & Rush** are hereby determined and declared to be the highest evaluated responsive proposers to provide residential assistance services.

**Section 2.** The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to negotiate and award contracts to **Eagle Systems International, Inc. dba Synergy, Sierra Valley Mechanical, and Clarke & Rush** (collectively, the **Contracts**) for a three-year term from approximately March 1, 2026, to February 28, 2029, for a total aggregate not-to-exceed amount of \$40,000,000 across the **Contracts**.

**Section 3.** The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the **Contracts** that, in his prudent judgment: (a) further the primary purpose of the **Contracts**; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

**8a**

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Finance & Audit – 01/14/26  
Board Meeting Date  
January 15, 2026

TO				TO								
1. Jennifer Restivo	6.											
2. Scott Martin	7.											
3. Farres Everly	8.											
4. Jose Bodipo-Memba	9. <b>Legal</b>											
5.	10. <b>CEO &amp; General Manager</b>											
<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Jon Anderson		DEPARTMENT Treasury & Revenue Strategy			MAIL STOP B355		EXT. 5605	DATE SENT 12/26/25				
<b>NARRATIVE:</b>												
<p><b>Requested Action:</b> Authorize the Chief Executive Officer and General Manager, or his designee, to negotiate and execute:</p> <ul style="list-style-type: none"> <li>a) A three-year contract renewal with <b>Wells Fargo Bank, N.A. (Wells Fargo)</b> to modify and extend a \$50 million <b>Line of Credit (Wells Fargo Line)</b> and all other documents or actions necessary to facilitate the <b>Wells Fargo Line</b>; and</li> <li>b) A three-year contract with <b>PNC Bank, N.A. (PNC)</b> for a new \$100 million <b>Line of Credit (PNC Line)</b> and all other documents or actions necessary to facilitate the <b>PNC Line</b>.</li> </ul> <p><b>Summary:</b> SMUD currently maintains a \$500 million Commercial Paper and Line of Credit program. This program provides critical short-term funding for SMUD capital projects and a reliable source of liquidity, without the extended lead times associated with a bond issuance. An existing \$100 million line of credit with Wells Fargo is set to expire in February.</p> <p>The renewal of the Wells Fargo Line at \$50 million, and the establishment of a new \$100 million PNC Line, will allow SMUD to expand and diversify its short-term borrowing capacity. With these actions, SMUD will be able to increase its total short-term borrowing portfolio to \$550 million, increase portfolio diversification across financial institutions and borrowing type, while preserving similar program fees.</p> <p><b>Board Policy:</b> Strategic Direction SD-3, Access to Credit Markets (Number &amp; Title)</p> <p><b>Benefits:</b> The lines of credit provide liquidity and funding to support the SMUD capital program and our financial strength.</p> <p><b>Cost/Budgeted:</b> Fees and expenses are estimated to be \$1.3 million over the life of the contracts and are included in budget forecasts.</p> <p><b>Alternatives:</b> Issue fixed rate debt/bonds at a higher borrowing cost and with a longer lead time.</p> <p><b>Affected Parties:</b> Treasury &amp; Revenue Strategy</p> <p><b>Coordination:</b> Treasury &amp; Revenue Strategy and Legal</p> <p><b>Presenter:</b> Jennifer Restivo, Director, Treasury &amp; Revenue Strategy</p>												

### Additional Links:

SUBJECT	Line of Credit Renewal and Expansion	ITEM NO. (FOR LEGAL USE ONLY)
		8a

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**Draft Resolution  
(Wells Fargo Bank, National Association)**

# **DRAFT**

## **RESOLUTION NO. 26-01-\_\_**

### **FIRST SUPPLEMENTAL RESOLUTION (SUPPLEMENTAL TO RESOLUTION NO. 22-02-07, ADOPTED FEBRUARY 17, 2022)**

### **PROVIDING FOR THE DECREASE OF THE AGGREGATE PRINCIPAL AMOUNT OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT TAXABLE REVOLVING NOTE (WELLS FARGO REVOLVING CREDIT AGREEMENT) AND TAX-EXEMPT REVOLVING NOTE (WELLS FARGO REVOLVING CREDIT AGREEMENT) THAT MAY BE OUTSTANDING AT ANY ONE TIME AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH**

WHEREAS, the Board of Directors of SMUD adopted Resolution No. 22-02-07 (the “Original Resolution”) authorizing a Revolving Credit Agreement with Wells Fargo Bank, National Association (as further defined in the Original Resolution, the “Credit Agreement”) and the issuance of SMUD’s Taxable Revolving Note (Wells Fargo Revolving Credit Agreement) and Tax-Exempt Revolving Note (Wells Fargo Revolving Credit Agreement) (collectively, the “Notes”) in an aggregate principal amount not to exceed \$100,000,000 outstanding at any one time under (a) Articles 6a and 6b of Chapter 6 of the Municipal Utility District Act (California Public Utilities Code Section 12850 et seq.), (b) Chapter 7.5 of the Municipal Utility District Act (California Public Utilities Code Section 13371 et seq.) and (c) Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (California Government Code Section 53580 et seq.);

WHEREAS, SMUD has determined that it is in its best interests to extend the expiration date of the Credit Agreement and decrease the aggregate principal amount of the Notes that may be outstanding at any one time under the Original Resolution to \$50,000,000;

WHEREAS, Section 7.01 of the Original Resolution permits the modification or amendment of the Original Resolution with the prior written consent of the Bank (as defined in the Original Resolution);

WHEREAS, SMUD has determined to modify and amend the Original Resolution as set forth in this First Supplemental Resolution, to extend the expiration date of the Credit Agreement and to amend the Credit Agreement as set forth in a First Amendment to Revolving Credit Agreement (the “First Amendment to Credit Agreement”) between SMUD and the Bank;

WHEREAS, the amendments set forth in this First Supplemental Resolution will go into effect upon receipt by SMUD of the written consent of the Bank to this First Supplemental Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento Municipal Utility District, as follows:

## ARTICLE I

### DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, all capitalized terms used in this First Supplemental Resolution and not otherwise defined shall have the meanings given thereto in the Original Resolution.

## ARTICLE II

### AMENDMENTS TO ORIGINAL RESOLUTION

Section 2.01. Authorization. Section 2.01 of the Original Resolution is hereby amended to read in full as follows:

“Section 2.01. Authorization. Each Note is hereby authorized to be issued in the stated principal amount of not to exceed \$50,000,000 outstanding at any one time. On or after the effective date of the Credit Agreement, SMUD may request Loans and Term Loans under either Note as provided in, and subject to the terms of, the Credit Agreement and this Resolution; provided, that the aggregate principal amount of Loans and Term Loans outstanding under the Notes at any one time shall not exceed \$50,000,000. Subject to the terms of the Credit Agreement and this Resolution, the principal amount of the Loans under the Notes that is paid or prepaid by SMUD may again be reborrowed under either Note.”

Section 2.02. Registration of Notes. The last sentence of Section 2.05 of the Original Resolution is hereby amended to read in full as follows: “Registered ownership of the Notes may only be transferred in accordance with the terms of the Credit Agreement.”

Section 2.03. Events of Default. Section 6.01 of the Original Resolution is hereby amended to read in full as follows:

“Section 6.01. Events of Default. The following events shall be events of default (the “Events of Default”) hereunder:

(a) if default shall be made in the due and punctual payment of the principal of any Note when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any Note when and as such interest installment shall become due and payable;

(c) if the holder of any Bond or the trustee for any holders of Bonds at the time outstanding exercises a right under the Bond or the constituent instruments under which such Bond was issued to declare the principal thereof (and interest accrued thereon) to be payable prior to the maturity thereof; or

(d) an Event of Default under and as defined in the Credit Agreement.”

## ARTICLE III

### MISCELLANEOUS

Section 3.01. Approval and Execution of First Amendment to Credit Agreement and Amended and Restated Fee Agreement. The First Amendment to Credit Agreement and the Amended and Restated Fee Agreement relating to the Credit Agreement, each between SMUD and the Bank, in substantially the forms submitted to this meeting, are hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed, for and on behalf of SMUD, to execute and deliver the First Amendment to Credit Agreement and the Amended and Restated Fee Agreement relating to the Credit Agreement in substantially said forms, with such changes therein as the Authorized Officer executing the same, with the advice of SMUD’s counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3.02. Letters of Credit. The Authorized Officers are hereby authorized and directed to request the issuance from time to time of Letters of Credit (as defined in the Credit Agreement) by the Bank pursuant to the Credit Agreement in such amounts as are required by SMUD and to do any and all things and to execute, deliver and perform any and all agreements and documents which they deem necessary or advisable in order to request or cause the issuance of any such Letter of Credit by the Bank.

Section 3.03. Additional Actions. The Authorized Officers are hereby authorized and directed to do any and all things and to execute, deliver and perform any and all agreements, certificates and documents (including, but not limited to, replacement Notes) which they deem necessary or advisable in order to consummate the execution and delivery of the First Amendment to Credit Agreement and the Amended and Restated Fee Agreement relating to the Credit Agreement in accordance with this Resolution and the Credit Agreement and to effect the purposes of this Resolution and the transactions contemplated hereby. The Authorized Officers are hereby further authorized and directed to do any and all things and to execute, deliver and perform any and all agreements, certificates and documents which they deem necessary or desirable to further extend the Facility Maturity Date (as defined in the Credit Agreement) from time to time; provided that, (a) the Commitment (as defined in the Credit Agreement) shall not exceed \$50,000,000 and (b) the fees payable under the Fee Letter during the term of any such extension shall continue to be commercially reasonable, as determined by any Authorized Officer, such determination to be conclusively evidenced by the execution and delivery of the applicable agreements, certificates and documents extending the Facility Maturity Date.

Section 3.04. Effect of First Supplemental Resolution. The amendments to the Original Resolution set forth in this First Supplemental Resolution will go into effect upon receipt by SMUD of the written consent of the Bank to this First Supplemental Resolution. The Original Resolution is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as modified and amended by this First Supplemental Resolution.

**Draft First Amendment to  
Revolving Credit Agreement  
(Wells Fargo Bank, National Association)**

**FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT**

This FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT (this “*Amendment*”) dated [REDACTED], 2026 (the “*Amendment Date*”), is between SACRAMENTO MUNICIPAL UTILITY DISTRICT, a municipal utility district of the State of California (“*SMUD*”) and WELLS FARGO BANK, NATIONAL ASSOCIATION (the “*Bank*”). All capitalized terms used herein and not defined herein shall have the meanings set forth in the hereinafter defined Agreement.

**WITNESSETH**

WHEREAS, SMUD and the Bank have previously entered into that certain Revolving Credit Agreement dated as of February 1, 2022 (as amended on the Amendment Date and as further amended, restated, supplemented or otherwise modified from time to time, the “*Agreement*”). This Amendment is a Program Document;

WHEREAS, pursuant to Section 7.1 of the Agreement, the Agreement may be amended by a written amendment thereto, executed by SMUD and the Bank; and

WHEREAS, SMUD has requested that certain amendments be made to the Agreement, and the Bank has agreed to make such amendments to the Agreement subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

**SECTION 1. AMENDMENTS.**

Subject to the satisfaction or waiver of the conditions precedent set forth in Section 2 below, the Agreement shall be and hereby is amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the underlined text (indicated textually in the same manner as the following example: underlined text) as set forth in the pages of the Agreement attached hereto as Annex A.

**SECTION 2. CONDITIONS PRECEDENT.**

This Amendment shall become effective on the Amendment Date subject to the satisfaction of or waiver by the Bank of all of the following conditions precedent (such satisfaction to be evidenced by the Bank’s execution and delivery of this Amendment):

2.01. Delivery by SMUD to the Bank of (a) an executed counterpart of this Amendment, (b) an executed counterpart of the Amended and Restated Fee Agreement, dated as of the Amendment Date (the “*Fee Agreement*”), between SMUD and the Bank, and (c) executed counterparts of a replacement Sacramento Municipal Utility District Taxable Revolving Note (Wells Fargo Revolving Credit Agreement) (the “*Taxable Note*”) and a replacement Sacramento Municipal Utility District Tax-Exempt Revolving Note (Wells Fargo Revolving Credit

Agreement) (the “*Tax-Exempt Revolving Note*” and together with the Tax-Exempt Revolving Note, the “*Revolving Notes*”), in the forms set forth in Exhibit A and Exhibit B to the Agreement as amended hereby, respectively, each executed and delivered to the Bank on the Amendment Date. The Bank shall surrender the original existing Revolving Notes to SMUD for cancelation on the Amendment Date in exchange for SMUD’s delivery to the Bank of such replacement Revolving Notes.

2.02. Receipt by the Bank of a copy of the authorizing resolution of SMUD (which may be an existing authorizing resolution) approving the execution and delivery and performance of its obligations under the Agreement and the Revolving Notes.

2.03. Receipt by the Bank of a customary certificate executed by appropriate officers of SMUD including the incumbency and signature of the officer of SMUD executing this Amendment and the Revolving Notes.

2.04. Delivery to the Bank of an opinion of the general counsel for SMUD, addressing (i) SMUD’s existence, (ii) SMUD’s power and authority to enter into this Amendment, the Fee Agreement and the Revolving Notes and to perform its obligations under the Agreement, as amended by this Amendment, the Fee Agreement and the Revolving Notes, (iii) SMUD’s execution and delivery of this Amendment, the Fee Agreement and the Revolving Notes, (iv) the enforceability of SMUD’s obligations under the Agreement, as amended by this Amendment, the Fee Agreement and the Revolving Notes, (v) that SMUD has obtained all consents necessary to execute and deliver this Amendment, the Fee Agreement and the Revolving Notes and perform the Agreement, as amended by this Amendment, the Fee Agreement and the Revolving Notes, (vi) the execution and delivery of this Amendment, the Fee Agreement and the Revolving Notes by SMUD will not violate any law, order or agreement to which SMUD is subject or to which SMUD is a party, and (vii) there is no litigation pending or threatened against SMUD that would prevent SMUD from executing and delivering this Amendment, the Fee Agreement and the Revolving Notes or performing its obligations under the Agreement, as amended by this Amendment, the Fee Agreement and the Revolving Notes.

2.05. Payment directly to Chapman and Cutler LLP, legal counsel to the Bank (“*Bank Counsel*”), on or before the Amendment Date, of the reasonable legal fees and expenses of Bank Counsel.

2.06. All other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Bank and Bank Counsel.

### SECTION 3. REPRESENTATIONS AND WARRANTIES OF SMUD.

3.01. SMUD hereby represents and warrants that the following statements shall be true and correct as of the date hereof:

(a) the representations and warranties of SMUD contained in Article Four of the Agreement and in each of the SMUD Program Documents are true and correct on and as of the date hereof as though made on and as of such date (except to the extent the same

expressly relate to an earlier date and except that all references to the Closing Date in Article Four of the Agreement shall be deemed to refer to the Amendment Date, all references to the 2020 Financial Statements in Article Four of the Agreement shall be deemed to refer to the audited financial statements of SMUD for the Fiscal Year ended December 31, 2024, and all references to December 31, 2020 in Article Four of the Agreement shall be deemed to refer to December 31, 2024); and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment.

3.02. SMUD hereby ratifies and affirms that, both before and after giving effect to this Amendment:

The Agreement constitutes the Credit Agreement (as defined in the Note Resolution) under the Note Resolution and has all rights and benefits thereof. In order to secure the timely payment of all Obligations and to secure the performance and observance of all of the covenants, agreements and conditions contained in the Agreement and the Fee Agreement, SMUD has pledged the Available Revenues to the Bank (for the benefit of the Bank and any Affiliate of the Bank to whom any Obligation is at any time owed), pursuant to and on the terms and subject to the conditions set forth in the Note Resolution. The pledge of Available Revenues under the Note Resolution constitutes a valid pledge of and charge and lien upon the Available Revenues, has attached and is effective, binding, and enforceable against SMUD, its successors, purchasers of any of the Available Revenues, creditors, and all others asserting rights therein to the extent set forth in, and in accordance with, the Note Resolution, irrespective of whether those parties have notice of the lien on, security interest in and pledge of the Available Revenues and without the need for any physical delivery, recordation, filing or further act.

#### SECTION 4. CONSENT TO SUPPLEMENT TO NOTE RESOLUTION.

Pursuant to Section 7.01 of the Note Resolution, the Bank hereby consents to Resolution No. 26-01-[\_], First Supplemental Resolution (Supplemental to Resolution No. 22-02-07, adopted February 17, 2022), adopted by the Board of Directors of SMUD on January 15, 2026.

#### SECTION 5. MISCELLANEOUS.

Except as specifically amended hereby, the Agreement shall continue in full force and effect in accordance with its original terms. Reference to this specific Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement or any communication issued or made subsequent to or with respect to the Agreement, it being hereby agreed that any reference to the Agreement shall be sufficient to refer to the Agreement, as hereby amended. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW; *PROVIDED, HOWEVER, THAT THE CAPACITY, POWER AND*

AUTHORITY OF SMUD TO ENTER INTO THIS AMENDMENT AND THE OBLIGATIONS OF SMUD HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW WITHOUT REGARD TO CHOICE OF LAW RULES.

This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Amendment may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers hereunto duly authorized as of the Amendment Date.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_

Name:

Title:

*[Signature Page to First Amendment to Revolving Credit Agreement]*

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_

Name:

Title:

**ANNEX A**

Attached.

REVOLVING CREDIT AGREEMENT

dated as of February 1, 2022,

between

SACRAMENTO MUNICIPAL UTILITY DISTRICT

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

relating to:

\$50,000,000

SACRAMENTO MUNICIPAL UTILITY DISTRICT,  
TAXABLE AND TAX-EXEMPT REVOLVING NOTES  
(WELLS FARGO REVOLVING CREDIT AGREEMENT)

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## **REVOLVING CREDIT AGREEMENT**

(This Table of Contents is not a part of this  
Revolving Credit Agreement and is only  
for convenience of reference)

SECTION	DESCRIPTION	PAGE
Parties.....		1
<b>ARTICLE ONE</b>	<b>DEFINITIONS .....</b>	<b>1</b>
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## REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT dated as of February 1, 2022 (together with all amendments, supplements and other modifications hereto, this “*Agreement*”), between SACRAMENTO MUNICIPAL UTILITY DISTRICT, a municipal utility district of the State of California (together with its successors and assigns, “*SMUD*”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, the “*Bank*”).

### WITNESSETH:

WHEREAS, pursuant to the authority granted by the laws of the State of California, particularly Articles 6a and 6b of Chapter 6 of the Municipal Utility Act (California Public Utilities Code Section 12850 *et seq.*), Chapter 7.5 of the Municipal Utility District Act (California Public Utilities Code Section 13371 *et seq.*) and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (California Government Code Section 53.80 *et seq.*), and Resolution No. 22-02-07, adopted by the Board of Directors of SMUD on February 17, 2022, as amended by Resolution No. 26-01-[\_\_], adopted by the Board of Directors of SMUD on January [\_\_], 2026 (collectively, the “*Note Resolution*”), SMUD authorized the issuance of its Taxable Revolving Note (Wells Fargo Revolving Credit Agreement) and Tax-Exempt Revolving Note (Wells Fargo Revolving Credit Agreement) in an aggregate principal amount not to exceed \$50,000,000 outstanding at any one time; and

WHEREAS, SMUD has requested the Bank to establish the Commitment and execute and deliver this Agreement and the Bank is prepared to establish the Commitment upon the terms and conditions stated in this Agreement;

Now, THEREFORE, in consideration of the agreements set forth herein and in order to induce the Bank to establish the Commitment and execute and deliver this Agreement, the Bank and SMUD agree as follows:

## ARTICLE ONE

### DEFINITIONS

#### *Section 1.1. Definitions.* As used in this Agreement:

“*Act*” means the Municipal Utility District Act, constituting Division 6 of the Public Utilities Code of the State of California, and all laws of the State of California amendatory thereof or supplemental thereto.

“*Affiliate*” means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary

voting power for the election of directors or managing general partners; or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.

“*Alternate Rate*” means, for any day, in the case of Taxable Loans, the Prime Rate and in the case of Tax-Exempt Loans, the product of (i) the Prime Rate and (ii) eighty percent (80%).

“*Alternate Rate Loan*” means any Loan bearing interest at a rate based upon the Alternate Rate as provided in Section 2.4(e) and/or 2.12 hereof.

“*Amortization End Date*” means, with respect to any Term Loan, the earliest to occur of: (i) the fifth (5th) anniversary of the Facility Maturity Date, and (ii) the date on which the Commitment could have been permanently reduced to zero or this Agreement is otherwise terminated, including as a result of the occurrence of an Event of Default (*provided, however*, that the occurrence of a Rating Event at any time shall not result in an Amortization End Date).

“*Amortization Payment Date*” means, with respect to each Term Loan, (a) the first Business Day to occur on or after the one hundred eightieth (180th) calendar day following the Facility Maturity Date and the first Business Day of each sixth (6th) calendar month occurring thereafter prior to the Amortization End Date and (b) the related Amortization End Date.

“*Anti-Corruption Laws*” means all laws, rules, and regulations of any jurisdiction from time to time concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder and the U.K. Bribery Act 2010 and the rules and regulations thereunder.

“*Anti-Money Laundering Laws*” means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules related to terrorism financing, money laundering, any predicate crime to money laundering or any financial record keeping, including any applicable provision of the PATRIOT Act and The Currency and Foreign Transactions Reporting Act (also known as the “Bank Secrecy Act,” 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

“*Authorized SMUD Representative*” means the Chief Executive Officer and General Manager of SMUD, any Member of the Executive Committee of SMUD, the Chief Financial Officer of SMUD, the Treasurer of SMUD and/or the Secretary of SMUD.

“*Available Revenues*” has the meaning set forth in the Note Resolution.

“*Bank*” has the meaning set forth in the introductory paragraph hereof.

“*Bank Affiliate*” means the Bank and includes, without limitation, Wells Fargo Municipal Capital Strategies, LLC, Wells Fargo Securities (a trade name) and such other Affiliates of the Bank as agreed to by the Bank and SMUD.

“*Bank Transferee*” has the meaning set forth in Section 7.3 hereof.

“*Bank Agreement*” means any credit agreement, direct purchase agreement, bond purchase agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement or other agreement or instrument (or any amendment, supplement or modification thereto) entered into by SMUD with any Person, directly or indirectly, or otherwise consented to by SMUD, under which any Person or Persons undertakes to directly purchase, make loans, extend credit or liquidity to SMUD in connection with any of SMUD’s Debt payable from or secured by a lien on Net Revenues senior to or on a parity with the Obligations.

“*Bank Rate*” means the rate of interest per annum with respect to any Term Loan (i) for any day commencing on the date such Term Loan is made to and including the ninetieth (90th) day next succeeding the date such Term Loan is made, equal to the Base Rate from time to time in effect, and (ii) for any day commencing on the ninety-first (91st) day next succeeding the date such Term Loan is made and at all times thereafter, equal to the sum of the Base Rate from time to time in effect *plus* one percent (1.0%); *provided, however*, that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “*Bank Rate*” shall mean the Default Rate.

“*Bank-Related Persons*” means the Bank, its Affiliates and the officers, directors, employees, agents and attorneys-in-fact of the Bank and Affiliates.

“*Base Rate*” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.00%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.00%) and (iii) seven percent (7.00%)

“*Benchmark*” means, initially, Daily Simple SOFR; *provided, however*, that if a Benchmark Transition Event has occurred with respect to Daily Simple SOFR or the then-current Benchmark, then “*Benchmark*” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior Benchmark pursuant to Section 2.12 hereof.

“*Benchmark Administrator*” means, initially, the SOFR Administrator, or any successor administrator of the then-current Benchmark or any insolvency or resolution official with authority over such administrator.

“*Benchmark Replacement*” means with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Bank giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for U.S. dollar-denominated syndicated or bilateral credit facilities and (b) the related Benchmark Replacement Adjustment. Notwithstanding anything herein to the contrary, during any period of time while the Benchmark Replacement, determined as provided above, would be less than zero percent (0.0%), the Benchmark Replacement shall be deemed to be zero percent (0.0%).

*“Benchmark Replacement Adjustment”* means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Bank giving due consideration to (i) any selection or recommendation by the Relevant Governmental Body at such time of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities at such time.

*“Benchmark Replacement Date”* means the earlier to occur of the following events with respect to the then-current Benchmark:

- (a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the SOFR Determination Day occurring on or after the date of the public statement or publication of information referenced therein and (ii) the SOFR Determination Day following the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark;
- (b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the SOFR Determination Day occurring on or after the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; provided that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if such Benchmark (or such component thereof) continues to be provided on such date; or
- (c) in the case of clause (d) of the definition of “Benchmark Transition Event,” the SOFR Determination Day occurring on or after the first date that both (i) an alternate benchmark rate for purposes of the definition of “Benchmark Replacement” and (ii) a Benchmark Replacement Adjustment, have been selected by the Bank.

*“Benchmark Transition Event”* means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide such Benchmark (or such component thereof), permanently or indefinitely, provided that, at

the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof);

(c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), announcing that such Benchmark is not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; or

(d) the failure of the Benchmark Administrator to publish the Benchmark (or the published component used in the calculation thereof) for the applicable tenor for a continuous period of thirty (30) U.S. Government Securities Business Days (notwithstanding any temporary “last print” concept in the definition of “SOFR” or any analogous replacement definition), provided that, there is then no successor administrator that will continue to provide such Benchmark (or such component thereof).

*“Benchmark Transition Start Date”* means, in the case of a related Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90<sup>th</sup> day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

*“Benchmark Unavailability Period”* means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under each of the other Program Documents in accordance with Section 2.12 hereof and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes of establishing SOFR.

*“Beneficial Ownership Certification”* means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

*“Beneficial Ownership Regulation”* means 31 CFR § 1010.230.

*“Bonds”* has the meaning set forth in the Master Bond Resolution.

*“Borrowing”* means the borrowing of a Loan, as requested in each Notice of Borrowing.

*“Business Day”* means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in Los Angeles, California or New York, New York are authorized by law to close, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or (c) a day on which the principal offices of the Bank are closed.

*“Cash Collateral”* means, to pledge and deposit with, or deliver to the Bank, as collateral for L/C Obligations, cash or deposit account balances or, if the Bank shall agree, in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Bank. *“Cash Collateral”* shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

*“Change in Law”* means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, including, without limitation Risk-Based Capital Guidelines, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, rulings, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a *“Change in Law,”* regardless of the date enacted, adopted or issued.

*“Closing Date”* means February 23, 2022, subject to the satisfaction (or waiver by the Bank) of all of the conditions precedent set forth in Section 3.1 hereof.

*“Code”* means the Internal Revenue Code of 1986, as amended, and any successor statute thereto, and the regulations promulgated thereunder.

*“Commitment”* means the amount of \$50,000,000, as such amount may be reduced from time to time or terminated pursuant to Sections 2.7, 2.8 and 6.2 hereof.

*“Commitment Fee”* has the meaning set forth in the Fee Agreement.

*“Confidential Information”* means any permitted redactable information regarding SMUD, the Bank or any Affiliate of the Bank including, without limitation, address and account information, e-mail addresses, telephone numbers, facsimile numbers, names and signatures of officers, employees and signatories.

*“Conforming Changes”* means, with respect to either the use or administration of SOFR (other than a Loan for which the Benchmark is Daily Simple SOFR) or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including, without limitation, changes to the definition of “U.S. Government Securities Business Day,” the definition of “Business Day,” the timing and frequency of determining rates and making payments of interest, the timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods and other technical, administrative or operational matters) that the Bank decides may be appropriate to reflect the adoption and implementation of a Benchmark Replacement or to permit the use and administration of SOFR (other than a Loan for which the Benchmark is Daily Simple SOFR) or a Benchmark Replacement by the Bank in a manner substantially consistent with market practice (or, if the Bank decides that adoption of any portion of such market practice is not administratively feasible or if the Bank determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Bank decides is reasonably necessary in connection with the administration of this Agreement and the other Program Documents).

*“Credit Default”* means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become a Credit Event of Default.

*“Credit Event of Default”* means any of those Events of Default set forth in Sections 6.1(a), 6.1(d), 6.1(e), 6.1(f), 6.1(g), 6.1(h), 6.1(i), 6.1(j), 6.1(k), 6.1(l), 6.1(m), 6.1(n), 6.1(o) and 6.1(p) hereof.

*“Daily Simple SOFR”* means, for any day (a “*SOFR Rate Day*”), a rate per annum equal to the greater of (a) SOFR for the day (such day, a “*SOFR Determination Day*”) that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website; *provided* that if by 5:00 p.m. on the second (2<sup>nd</sup>) U.S. Government Securities Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator’s Website; *provided further* that SOFR as determined pursuant to this proviso shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days and (b) zero percent (0.0%). Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to SMUD.

*“Debt”* means for any Person (without duplication) (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (iii) all obligations secured by any Lien upon property of such Person, whether or not such Person has assumed or become liable for the payment of such obligations (other than collateralized commodity swaps the obligations under which are either (a) not secured by a Lien on Net Revenues or (b) secured by a Lien on Net Revenues subordinate to the Obligations), (iv) all obligations of such Person as lessee under leases (as determined under Governmental Accounting Standards Board Statement No. 87 *Leases*, or any successor guidance) shown on the liabilities side of the balance sheet of such Person, excluding any leases that (a) arise in connection with purchase agreements for power, gas, resource adequacy, capacity, renewable energy credits, energy storage, renewable energy, or other similar products or (b) are for operational or administrative purposes only and do not represent a financing transaction, (v) all obligations of such Person on or with respect to letters of credit, banker’s acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money, (vi) certificates of participation evidencing an undivided ownership interest in payments made by such Person (A) as lessee under any lease of property which in accordance with generally accepted accounting principles would be required to be capitalized on the balance sheet of such Person, (B) as purchaser under an installment sale agreement or (C) otherwise as an obligor in connection therewith, and (vii) all Debt of any other Person of the kind referred to in clauses (i) through (vi) above which is guaranteed (regardless of form) directly or indirectly in any manner by such Person.

*“Default”* means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

*“Default Rate”* means a per annum rate of interest equal to the sum of the Base Rate from time to time in effect plus three percent (3.00%).

*“Designated Jurisdiction”* means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

*“Determination of Taxability”* means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date on which SMUD files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) the date on which the Bank or any Noteholder or former Noteholder notifies SMUD that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by SMUD of such notification from the Bank or such Noteholder or any former Noteholder, SMUD shall deliver to the Bank, the Noteholder and any former Noteholder a ruling or determination letter issued to or on behalf of SMUD by the Commissioner of the

Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such ruling or determination letter) or a written opinion of its Note Counsel to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) the date on which SMUD shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of SMUD, or upon any review or audit of SMUD or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) the date on which SMUD shall receive notice from the Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bank, such Noteholder or such former Noteholder the interest on the Tax-Exempt Note or Tax-Exempt Loan due to the occurrence of an Event of Taxability;

*provided, however,* no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless SMUD has been afforded the opportunity, at its expense, to contest any such assessment or opinion, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however,* that upon demand from the Bank, such Noteholder or former Noteholder, SMUD shall promptly reimburse, the Bank, such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties or other charges, the Bank, such Noteholder or former Noteholder shall be obligated to make as a result of the Determination of Taxability.

“*Dollars*” and the sign “\$” means lawful money of the United States of America.

“*Electric System*” has the meaning set forth in the Note Resolution.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“*Event of Default*” has the meaning set forth in Section 6.1 hereof.

“*Event of Taxability*” means a (i) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by SMUD, or the failure to take any action by SMUD, or the making by SMUD of any misrepresentation herein or in any certificate given in connection with the Tax-Exempt Note

or Tax-Exempt Loans) which has the effect of causing interest paid or payable on any Tax-Exempt Note or any Tax-Exempt Loan to become includable in the gross income of the Bank, the Noteholder or any former Noteholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or SMUD of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on any Tax-Exempt Note or any Tax-Exempt Loan to become includable in the gross income of the Bank, the Noteholder or any former Noteholder for federal income tax purposes with respect to any Tax-Exempt Note or any Tax-Exempt Loan.

“*Excess Interest*” has the meaning set forth in Section 2.19 hereof.

“*Excluded Taxes*” means, with respect to the Bank, any Participant or any Noteholder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank, such Participant or such Noteholder is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which SMUD is located.

“*Extended Letter of Credit*” has the meaning set forth in Section 8.1(b) hereof.

“*Extensions of Credit*” means at any time, (a) an amount equal to the sum of (i) the aggregate principal amount of all Loans then outstanding, and (ii) the L/C Obligations then outstanding, or (b) the making of any Loan or the issuance of any Letter of Credit by the Bank, as the context requires.

“*Facility Maturity Date*” means **[March 30, 2029]**, or, if such day is not a Business Day, the next preceding Business Day.

“*Favorable Opinion of Note Counsel*” means a written opinion of Note Counsel, addressed to SMUD and the Bank to the effect that the new Benchmark Replacement will not, in and of itself, cause interest on the outstanding Tax-Exempt Loans to be included in gross income for purposes of federal income taxation.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Bank on such day on such transactions as determined by the Bank. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

*“Fee Agreement”* means that certain Amended and Restated Fee Agreement, dated the First Amendment Effective Date, between SMUD and the Bank, as the same may be amended, modified or supplemented from time to time by written instrument executed by the Bank and SMUD, the terms of which are incorporated herein by reference.

*“First Amendment Effective Date”* means [\_\_\_\_\_], 2026.

*“Fiscal Year”* means the twelve-month period commencing on January 1 of each year and ending on December 31 of the same calendar year or such other twelve-month period as SMUD may from time to time determine as its Fiscal Year.

*“Fitch”* means Fitch Ratings, Inc. and its successors, and if such Person shall for any reason no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any nationally recognized securities rating agency designated by SMUD that is acceptable to the Bank in its sole discretion.

*“Government Acts”* means any act or omission to act, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

*“Governmental Authority”* means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, the Financial Conduct Authority, the Prudential Regulation Authority and any supra-national bodies such as the European Union or the European Central Bank); *provided, however,* that, for the purposes of Sections 2.16 and 2.17 hereof only, “*Governmental Authority*” means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

*“Indemnified Taxes”* means Taxes other than Excluded Taxes.

*“Interest Payment Date”* means with respect to each Loan and each Term Loan, the tenth (10th) calendar day of each calendar month (with the first Interest Payment Date being March 10, 2022), the Facility Maturity Date and such earlier date on which all Loans and Term Loans are required to be paid in full in accordance with the terms hereof or, if applicable, on the Amortization End Date.

*“ISP”* means the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time).

“*Laws*” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*L/C Fee Rate*” has the meaning set forth in the Fee Agreement.

“*L/C Obligations*” means at any time, an amount equal to the sum of (a) the aggregate undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit which have not then been reimbursed pursuant to Section 8.5 hereof.

“*L/C Sublimit*” means the Commitment.

“*Letters of Credit*” means the collective reference to letters of credit issued pursuant to Section 8.1 hereof.

“*Letter of Credit Application*” means an application requesting the Bank to issue a Letter of Credit in the form specified by the Bank from time to time.

“*Letter of Credit Documents*” means with respect to any Letter of Credit, such Letter of Credit, the Letter of Credit Application, a letter of credit agreement or reimbursement agreement and any other document, agreement and instrument required by the Bank and relating to such Letter of Credit, in each case in the form specified by the Bank from time to time.

“*Lien*” means, with respect to any property, tangible or intangible, real or personal, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind in respect of such property.

“*Loan*” means a Loan to be made by the Bank in accordance with the applicable Notice of Borrowing. The term “*Loan*” means, individually, a Taxable Loan or a Tax-Exempt Loan and “*Loans*” means Taxable Loans or Tax-Exempt Loans, or a combination thereof, as applicable.

“*Majority Noteholder*” means the Noteholders with a majority of the aggregate ownership interest in Loans and Term Loans evidenced by the Taxable Note and Tax-Exempt Note from time to time. As of the Closing Date, Wells Fargo Bank, National Association, is the Majority Noteholder.

“*Master Bond Resolution*” means Resolution No. 6649 of SMUD, adopted on January 7, 1971, and amended and supplemented from time to time in accordance with the terms thereof.

“*Material Adverse Effect*” or “*Material Adverse Change*” means (a) with respect to SMUD, a material adverse effect upon SMUD’s business, assets, liabilities, financial condition,

results of operations or business prospects, and (b) with respect to SMUD's obligations under this Agreement, the Fee Agreement or any other SMUD Program Document, a material adverse effect upon (i) the binding nature, validity or enforceability of SMUD's obligations hereunder or thereunder, (ii) SMUD's ability to perform its obligations hereunder or thereunder or (iii) the rights, security or interests of the Bank.

*“Maximum Federal Corporate Tax Rate”* means, on any given day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Bank, the maximum statutory rate of federal income taxation which could apply to the Bank).

*“Maximum Interest Rate”* means the maximum interest rate on the Revolving Notes as provided in the Note Resolution, which initially shall be 12% per annum.

*“Maximum Rate”* means the maximum non-usurious lawful rate of interest permitted by applicable law.

*“Minimum Collateral Amount”* means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 6.2(c) hereof, an amount equal to 105% of the aggregate outstanding amount of all L/C Obligations and (b) otherwise, an amount determined by the Bank in its sole discretion.

*“Moody’s”* means Moody’s Investors Service and its successors, and if such Person shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any nationally recognized securities rating agency designated by SMUD that is acceptable to the Bank in its sole discretion.

*“Net Revenues”* has the meaning set forth in the Master Bond Resolution.

*“Net Subordinated Revenues”* has the meaning set forth in the Subordinated Bond Resolution.

*“Non-Bank Transferee”* has the meaning set forth in Section 7.2(c) hereof.

*“Non-Credit Event of Default”* means those Events of Default set forth in Sections 6.1(b) and 6.1(c) hereof

*“Noteholder”* means the Bank and each Bank Transferee or Non-Bank Transferee pursuant to the terms hereof so long as such Bank Transferee or Non-Bank Transferee owns an interest in the Taxable Note or the Tax-Exempt Note, as applicable, and shall include any holder of Term Loans.

*“Note Counsel”* means Orrick Herrington & Sutcliffe LLP, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by SMUD.

“*Note Resolution*” has the meaning set forth in the recitals hereof.

“*Notice of Borrowing*” has the meaning set forth in Section 2.2(a)(i) hereof.

“*Notice of Conversion*” has the meaning set forth in Section 2.2(a)(ii) hereof

“*Obligations*” means the Loans and Term Loans (which includes amounts owing to the Bank evidenced by and payable under the Revolving Notes), the Commitment Fees and all other obligations of SMUD to the Bank arising under or in relation to this Agreement, the Fee Agreement, the Letters of Credit or any of the other Program Documents (including any amounts to reimburse the Bank for any advances or expenditures by it under any of such documents).

“*Optional Termination Event*” means (i) a consolidation or merger of SMUD or the Electric System into another entity whereby either (a) as a result of such consolidation or merger, SMUD or the Electric System is not the surviving entity or (b) such consolidation or merger could reasonably be expected to result in a Material Adverse Effect, or (ii) the failure of SMUD to comply with generally accepted accounting principles applicable to governmental entities and such failure shall continue for a period of forty-five (45) consecutive days after SMUD has actual knowledge of such failure.

“*Parity Bonds*” has the meaning set forth in the Note Resolution.

“*Parity Notes*” has the meaning set forth in the Note Resolution.

“*Parity Notes Reimbursement Agreement*” has the meaning set forth in the Note Resolution.

“*Parity Subordinated Debt*” has the meaning set forth in the Note Resolution.

“*Participant*” has the meaning set forth in Section 7.3(b) hereof.

“*Participation*” has the meaning set forth in Section 7.3(b) hereof.

“*Payment Account*” means ABA: 121000248, Bank: Wells Fargo Bank, Account Number: 00698314050720, Account Name: Wires in Process, Address: Roanoke, Virginia, Reference/Originator to beneficiary info: Customer Name: Sacramento Municipal Utility District, Obligor: 8799472701, or such other account as the Bank may designate from time to time.

“*Person*” means an individual, a corporation, a partnership, an association, a limited liability company, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“*Plan*” means a pension plan providing benefits for employees of any Person.

*“Prime Rate”* means on any day, the rate of interest per annum then most recently established by the Bank as its “prime rate.” Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Bank to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Bank may make various business or other loans at rates of interest having no relationship to such rate. If the Bank ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported. Notwithstanding anything herein to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

*“Program Documents”* means this Agreement, the Revolving Notes, the Fee Agreement, the Note Resolution, the Letter of Credit Documents and any documents related thereto.

*“Property”* means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

*“Rating”* means, with respect to any Rating Agency, the lowest rating assigned by such Rating Agency to any senior lien, long-term Bonds (without regard to bond insurance or any other form of credit enhancement) of SMUD.

*“Rating Agency”* and *“Rating Agencies”* means, individually or collectively, as applicable, Moody’s, S&P and Fitch.

*“Rating Event”* means the occurrence of a downgrade by any Rating Agency of its long-term rating with respect to any senior lien, long-term Bonds (without regard to bond insurance or any other form of credit enhancement) of SMUD to a level below “Baa1” (or its equivalent) in the case of Moody’s, “BBB+” (or its equivalent) in the case of S&P or “BBB+” (or its equivalent) in the case of Fitch and such downgrade shall continue for a period of one hundred sixty (160) days.

*“Recipient”* means the Bank, each Participant, each Noteholder and any other recipient of any payment to be made by or on account of any obligation of SMUD hereunder.

*“Reimbursement Obligations”* means the obligation of SMUD to reimburse the Bank pursuant to Section 8.5 hereof for amounts drawn under Letters of Credit issued by the Bank.

*“Reinstated Letter of Credit”* has the meaning assigned thereto in Section 8.11(e) hereof.

*“Relevant Governmental Body”* means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto.

“*Revenues*” has the meaning set forth in the Note Resolution.

“*Revolving Credit Period*” means the period from and including the Closing Date to and including the Termination Date.

“*Revolving Notes*” means the Taxable Note and the Tax-Exempt Note.

“*Risk-Based Capital Guidelines*” means (a) the risk-based capital guidelines in effect in the United States of America, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendment to such regulations.

“*Sanctioned Country*” means at any time, a country, region or territory which is itself (or whose government is) the subject or target of any Sanctions (including, as of the Closing Date, Cuba, Iran, North Korea, Syria, Venezuela and Crimea).

“*Sanctioned Person*” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including OFAC’s Specially Designated Nationals and Blocked Persons List and OFAC’s Consolidated Non-SDN List), the U.S. Department of State, the United Nations Security Council, the European Union, any European member state, His Majesty’s Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by OFAC to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s) or (d) any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

“*Sanctions*” means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, any European member state, His Majesty’s Treasury, or other relevant sanctions authority in any jurisdiction in which (a) SMUD or any of its Subsidiaries or Affiliates is located or conducts business, (b) in which any of the proceeds of the Extensions of Credit will be used, or (c) from which repayment of the Extensions of Credit will be derived.

“*S&P*” means S&P Global Ratings, and its successors, and if such division shall for any reason no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by SMUD that is acceptable to the Bank in its sole discretion.

“*SMUD*” has the meaning set forth in the introductory paragraph hereof.

“*SMUD Board*” means the board of directors of SMUD.

“*SMUD Program Documents*” means the Program Documents to which SMUD is a party (including, without limitation, the Note Resolution).

“*SOFR*” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“*SOFR Administrator*” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“*SOFR Administrator’s Website*” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“*SOFR Determination Day*” has the meaning specified in the definition of “Daily Simple SOFR”.

“*SOFR Rate Day*” has the meaning specified in the definition of “Daily Simple SOFR”.

“*State*” means the State of California.

“*Subordinated Bond Resolution*” means Resolution No. 85-11-1 of SMUD, duly adopted at a meeting of SMUD on November 7, 1985, as amended and restated by Resolution No. 01 06 10 of SMUD, duly adopted at a meeting of SMUD on June 21, 2001, and amended and supplemented from time to time in accordance with the terms thereof.

“*Subordinated Bonds*” has the meaning set forth in the Note Resolution.

“*Subsidiary*” means as to any Person, any corporation, partnership, limited liability company or other entity of which more than fifty percent (50%) of the outstanding equity interests having ordinary voting power to elect a majority of the board of directors (or equivalent governing body) or other managers of such corporation, partnership, limited liability company or other entity is at the time owned by (directly or indirectly) or the management is otherwise controlled by (directly or indirectly) such Person (irrespective of whether, at the time, equity interests of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency). Unless otherwise qualified, references to “*Subsidiary*” or “*Subsidiaries*” herein shall refer to those of SMUD.

“*Swap Contract*” means any and all interest rate swap transactions or any other similar interest rate hedging transactions that hedge the interest rate on securities or other obligations issued by or on behalf of SMUD (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement.

“*Taxable Applicable Spread*” has the meaning set forth in the Fee Agreement.

*“Taxable Daily SOFR Rate”* means a per annum rate of interest equal to the sum of the Taxable Applicable Spread *plus* Daily Simple SOFR. The Taxable Daily SOFR Rate shall be rounded upwards to the fifth decimal place. Upon the occurrence and during the continuance of an Event of Default the Taxable Daily SOFR Rate shall equal the Default Rate.

*“Taxable Date”* means the date on which interest on any Tax-Exempt Loan or Tax-Exempt Note is first includable in the gross income of any holder thereof (including, without limitation, the Bank) as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

*“Taxable Loan”* means a Loan that is identified as a Taxable Loan in the Notice of Borrowing or Notice of Conversion, or a Term Loan that refunded one or more Loans which were Taxable Loans.

*“Taxable Note”* means the replacement Sacramento Municipal Utility District Taxable Revolving Note (Wells Fargo Revolving Credit Agreement), such note to be executed and delivered to the Bank on the First Amendment Effective Date in the form of Exhibit A attached hereto with appropriate insertions, executed and delivered by SMUD, as the same may be amended, modified, restated or supplemented from time to time by written instrument executed by the Bank and SMUD.

*“Taxable Period”* has the meaning set forth in Section 2.13 hereof.

*“Taxable Rate”* means, with respect to a Taxable Period, the product of (i) the interest rate on the applicable Tax-Exempt Loan or Tax-Exempt Note during such period and (ii) the quotient of (A) one divided by (B) one minus the then current Maximum Federal Corporate Tax Rate.

*“Tax-Exempt Applicable Spread”* has the meaning set forth in the Fee Agreement.

*“Tax-Exempt Daily SOFR Rate”* means a per annum rate of interest equal to sum of (a) the Tax-Exempt Applicable Spread plus (b) the product of (i) Daily Simple SOFR multiplied by (ii) 0.80. The Tax-Exempt Daily SOFR Rate shall be rounded upwards to the fifth decimal place. Upon the occurrence and during the occurrence of an Event of Default the Tax-Exempt Daily SOFR Rate shall equal the Default Rate.

*“Tax-Exempt Loan”* means a Loan that is identified as a Tax-Exempt Loan in the Notice of Borrowing, or a Term Loan that refunded one or more Loans which were Tax-Exempt Loans.

*“Tax-Exempt Note”* means the replacement Sacramento Municipal Utility District Tax-Exempt Revolving Note (Wells Fargo Revolving Credit Agreement), such note to be executed and delivered to the Bank on the First Amendment Effective Date in the form of Exhibit B attached hereto with appropriate insertions, executed and delivered by SMUD, as the same may be amended, modified, restated or supplemented from time to time by written instrument executed by the Bank and SMUD.

*“Taxes”* means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

*“Term Loans”* has the meaning set forth in Section 2.22(a) hereof.

*“Termination Date”* means the Facility Maturity Date or, if earlier, the date on which the Commitment is terminated or permanently reduced to zero in accordance with the terms hereof.

*“U.S. Government Securities Business Day”* means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; *provided*, that for purposes of notice requirements in Section 2.2, in each case, such day is also a Business Day.

*“Unadjusted Benchmark Replacement”* means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

*“2020 Financial Statements”* means the audited financial statements of SMUD for the Fiscal Year ended December 31, 2020.

*Section 1.2. Incorporation of Certain Definitions by Reference.* Each capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the Note Resolution and, if not defined therein, in the Master Bond Resolution or the Subordinated Bond Resolution, as applicable.

*Section 1.3. Accounting Terms and Determinations.* All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles.

*Section 1.4. Interpretation.* The following rules shall apply to the construction of this Agreement and the Fee Agreement unless the context requires otherwise: (a) the singular includes the plural, and the plural the singular; (b) words importing any gender include the other gender and the neuter gender; (c) references to statutes are to be construed as including all statutory provisions consolidating, and all regulations promulgated pursuant to, such statutes; (d) references to “writing” include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation”; (f) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (h) article and section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; and (i) unless otherwise indicated, references to Persons include their respective permitted successors and assigns.

*Section 1.5. Rates.* The Bank does not warrant or accept any responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Benchmark, any component definition thereof or rates referred to in the definitions thereof or with respect to any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Benchmark, the Tax-Exempt Daily SOFR Rate or the Taxable Daily SOFR Rate or any other Benchmark, the Tax-Exempt Daily SOFR Rate or the Taxable Daily SOFR Rate prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. To the extent permitted by law, the Bank and its affiliates or other related entities may engage in transactions that affect the calculation of the Benchmark, the Tax-Exempt Daily SOFR Rate or the Taxable Daily SOFR Rate any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to SMUD. The Bank may select information sources or services in its reasonable discretion to ascertain the Benchmark, any component definition thereof or rates referred to in the definitions thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to SMUD or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

## ARTICLE TWO

### THE CREDIT

#### *Section 2.1. Commitment to Lend.*

(a) *Loans.* During the Revolving Credit Period, the Bank agrees, on the terms and conditions set forth in this Agreement, to make revolving loans to SMUD pursuant to this Section from time to time in amounts such that the aggregate principal amount of Loans by the Bank at any one time outstanding shall not exceed the amount of the Commitment; *provided, however,* that after giving effect to any Borrowing, the outstanding Extensions of Credit shall not exceed the Commitment. Within the foregoing limit and subject to the terms and conditions of Section 2.2 hereof, SMUD may borrow under this subsection (a), repay or, to the extent permitted by Section 2.9 hereof, prepay, the Loans and re-borrow at any time during the Revolving Credit Period under this subsection (a).

(b) *Extension of Revolving Credit Period.* (i) No later than 90 days prior to the Facility Maturity Date, SMUD may request the Bank to extend the then current Facility Maturity Date for a period as agreed to by SMUD and the Bank. If the Bank, in its sole discretion, elects to extend the Facility Maturity Date then in effect, they shall deliver to SMUD within 30 days of receiving a request, a written notice of extension (herein referred to as a “*Notice of Extension*”) designating the date to which the Facility Maturity Date is being extended. Such extension of the Facility Maturity Date shall be effective, after receipt of such Notice of Extension, on the Business Day

following the date of delivery of such Notice of Extension, and thereafter all references in this Agreement to the Facility Maturity Date shall be deemed to be references to the date designated as such in the most recent Notice of Extension delivered to SMUD. Any date to which the Facility Maturity Date has been extended in accordance with this Section 2.1(b) may be extended in like manner. If the Bank fails to provide SMUD with a Notice of Extension as provided hereinabove, the Bank shall be deemed not to have consented to SMUD's request. The Bank shall use commercially reasonable efforts to promptly notify SMUD if it will not extend the Facility Maturity Date, but the Bank's failure to do so shall be deemed a denial of the extension request.

(ii) Notwithstanding the foregoing, it is understood and agreed that the foregoing provisions are intended for the convenience of the parties only and shall in no respect prohibit the parties from agreeing to extend the Revolving Credit Period under other circumstances or at other times. In the event the Revolving Credit Period is extended under any other circumstances, the Bank shall give prompt written notice thereof to SMUD.

(iii) If the Revolving Credit Period is extended, whether pursuant to subsection (i) above or otherwise, such extension shall be conditioned upon the prompt preparation, execution and delivery of documentation, satisfactory to SMUD and the Bank and their respective counsel.

*Section 2.2. Method of Borrowing, Continuing or Converting Loans; Account to Which Proceeds of Loans to Be Credited.* (a)(i) In the case of any Borrowing, SMUD shall give the Bank notice in the form of Exhibit C hereto, executed by an Authorized SMUD Representative (a "Notice of Borrowing"), and SMUD shall telephonically confirm the Bank's receipt of such Notice of Borrowing, by not later than 11:00 a.m. (Pacific time) on any Business Day, specifying:

(A) the date of such Borrowing, which shall be a Business Day during the Revolving Credit Period that is at least two (2) U.S. Government Securities Business Days following the Bank's receipt of such Notice of Borrowing,

(B) the aggregate amount of such Borrowing (which shall not exceed the difference between (i) the amount of the Commitment and (ii) the aggregate principal amount of Loans then outstanding),

(C) whether such Borrowing will be a Taxable Loan or a Tax-Exempt Loan, and

(D) that the following items are attached and delivered to Note Counsel, if the Borrowing is a Tax-Exempt Loan, a tax certificate or supplement to an existing tax certificate, including a completed Form 8038-G, relating to such Borrowing, in each case in a form acceptable to Note Counsel.

(ii) SMUD may convert any Tax-Exempt Loan to a Taxable Loan, only upon two (2) U.S. Government Securities Business Days prior written notice by giving appropriate notice to the Bank prior to 11:00 a.m., (Pacific time), on such required prior U.S. Government Securities Business Day in the form of Exhibit D hereto with blanks appropriately completed (each, a "Notice of Conversion").

(b) Subject to the provisions of subsection (a) of this Section 2.2, by not later than 3:00 p.m. (Pacific time) on the date of each Borrowing, the Bank shall, subject to satisfaction of the requirements of Section 2.2 and Article Three hereof, wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to SMUD on the Borrowing date specified in the Notice of Borrowing, so long as such Borrowing date occurs during the Revolving Credit Period and is at least two (2) U.S. Government Securities Business Days following the Bank's receipt of such Notice of Borrowing, as specified in such Notice of Borrowing, in immediately available funds, an amount equal to the Loan thereby requested. The Bank shall wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to the following account: Account Name: SMUD General Account, Bank Name: Bank of America, ABA Number: 026 009 593, Account Number: 01488-80182; *provided, however,* that SMUD may, from time to time, change such account by written notice to the Bank, executed by an Authorized SMUD Representative, given to the Bank at its address referred to in Section 7.2 hereof.

(c) The Bank shall not be obligated to honor more than one Borrowing with respect to a Taxable Loan or more than one Borrowing with respect to a Tax-Exempt Loan on any Business Day.

(d) Each Loan shall be in the principal amount requested by SMUD pursuant to each notice in the form of Exhibit C hereto but in any event in a minimum principal amount of \$100,000 or such greater amount which is an integral multiple of \$100,000 in excess thereof.

*Section 2.3. Maturity of Loans and Term Loans.* (a) Each Loan included in any Borrowing shall mature, and the principal amount thereof (together with all accrued and unpaid interest therein) shall be due and payable by SMUD, on the Facility Maturity Date or such earlier date on which all Loans or the related Loans become due and payable in accordance with the terms hereof.

(b) The Term Loans shall mature, and the principal amount thereof (together with all accrued and unpaid interest thereon) shall be due and payable by SMUD, on the Amortization End Date or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof.

*Section 2.4. Interest Rates.* (a) Subject to subsections (d) and (e) below, and Section 2.15 hereof, each Loan (other than a Term Loan) which is a Taxable Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is advanced until it is paid in full, at a rate per annum equal to the Taxable Daily SOFR Rate, and such interest shall be payable by SMUD on each Interest Payment Date and on the Termination Date.

(b) Subject to subsections (d), (e) and (f) below, and Section 2.15 hereof, each Loan (other than a Term Loan) which is a Tax-Exempt Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is advanced until it is paid in full, at a rate per annum equal to the Tax-Exempt Daily SOFR Rate, and such interest shall be payable by SMUD on each Interest Payment Date and on the Termination Date.

(c) Interest on the Tax-Exempt Loans is to be excluded from gross income for federal income tax purposes. Interest on Taxable Loans, Alternate Rate Loans and other amounts owing hereunder (other than Tax-Exempt Loans) is to be includable in the Bank's gross income for federal income tax purposes.

(d) The Bank shall determine the applicable interest rate for the Loans on each SOFR Determination Day while such Loan is outstanding. Interest on each Loan shall accrue each day such Loan is outstanding commencing on and including the date such Loan is advanced by the Bank hereunder until such Loan is paid in full. The Bank will send SMUD a hyperlink to the SOFR Administrator's Website, as such hyperlink may be updated from time to time. Notwithstanding the foregoing, (i) with respect to a Loan designated to bear interest with respect to the Taxable Daily SOFR Rate that is advanced pursuant to new Borrowing, the rate for such Loan shall be the same rate as for all outstanding Loans bearing interest with respect to the Taxable Daily SOFR Rate and (ii) with respect to a Loan designated to bear interest with respect to the Tax-Exempt Daily SOFR Rate that is advanced pursuant to new Borrowing, the rate for such Loan shall be the same rate as for all outstanding Loans bearing interest with respect to the Tax-Exempt Daily SOFR Rate.

(e) *Circumstances Affecting Benchmark Availability.* (i) Subject to Section 2.12 hereof, if for any reason (A) the Bank shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for ascertaining Daily Simple SOFR pursuant to the definition thereof or (B) the Bank shall determine (which determination shall be conclusive and binding absent manifest error) that Daily Simple SOFR does not adequately and fairly reflect the cost to the Bank of making or maintaining such Loans, then, in each case, the Bank shall promptly give notice thereof to SMUD; *provided, however,* that the Bank will advise SMUD of (B) immediately above only in the event that a similar determination would be made with respect to similarly situated issuers under similar circumstances, as such circumstances are determined by the Bank in the Bank's commercially reasonable discretion. Upon notice thereof by the Bank to SMUD, any obligation of the Bank to make Loans shall be suspended (to the extent of the affected Loans) until the Bank revokes such notice. Upon receipt of such notice, (x) SMUD may revoke any pending request for a borrowing of Loans (to the extent of the affected Loans) or, failing that, SMUD will be deemed to have converted any such request into a request for a borrowing of or conversion to Alternate Rate Loans in the amount specified therein and (y) any outstanding affected Loans will be deemed to have been converted into Alternate Rate Loans immediately. Upon any such prepayment or conversion, SMUD shall also pay accrued interest on the amount so prepaid or converted.

(ii) *Laws Affecting SOFR Availability.* If, after the date hereof, the introduction of, or any change in, any applicable law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall make it unlawful or impossible for the Bank to honor its obligations hereunder to make or maintain any Loan, or to determine or charge interest based upon SOFR or Daily Simple SOFR, the Bank shall promptly give notice to SMUD (an "*Illegality Notice*"). Thereafter, until the Bank notifies SMUD that

the circumstances giving rise to such determination no longer exist, any obligation of the Bank to make Loans shall be suspended. Upon receipt of an Illegality Notice, if necessary to avoid such illegality and upon demand from the Bank, (A) SMUD may, at its option, prepay all Loans or (B) if not prepaid at SMUD's option, SMUD shall convert all Loans to Alternate Rate Loans, on the Interest Payment Date therefor, if the Bank may lawfully continue to maintain such Loans to such day, or immediately, if the Bank may not lawfully continue to maintain such Loans to such day. Upon any such prepayment or conversion, SMUD shall also pay accrued interest on the amount so prepaid or converted.

(iii) The Bank shall use commercially reasonable efforts to provide ninety (90) days' advance notice of the events and/or conditions set forth in this Section 2.4(e); *provided, however*, that (A) since the timing of such events are not within the Bank's sole control, SMUD acknowledges and agrees that it may be impossible for the Bank to determine if such events are occurring ninety (90) days before they occur and, in such case, the Bank shall use commercially reasonable efforts to provide such notice as soon as reasonably possible and (B) the failure of the Bank to provide any such notice shall not affect the effectiveness of the terms and conditions of this Section 2.4(e).

(f) Upon a Determination of Taxability, all Tax-Exempt Loans shall bear interest at the Taxable Rate.

(g) Subject to Section 2.15 hereof, the Term Loans shall bear interest on the outstanding principal amount thereof, for each date from the date of extension of such Term Loan until it becomes due, at a rate per annum equal to the Bank Rate. Such interest shall be payable by SMUD on each Interest Payment Date and on the Amortization End Date (or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof).

*Section 2.5. Fees.* (a) SMUD hereby agrees to pay and perform its obligations provided for in the Fee Agreement, including the payment by SMUD to the Bank of the nonrefundable Commitment Fees and the other fees, expenses and payments described in the Fee Agreement at the times, on the dates and in the amounts specified in the Fee Agreement, the terms of such Fee Agreement being incorporated herein by reference as if fully set forth herein. Any references herein or in any other document to the Commitment Fee and such other fees, expenses and payments owed to the Bank hereunder without specific reference to the Fee Agreement shall be read so as to include the Fee Agreement, and any reference to this Agreement shall be deemed to include a reference to the Fee Agreement. The Fee Agreement and this Agreement shall be construed as one agreement between SMUD and the Bank and all obligations under the Fee Agreement shall be construed as obligations hereunder.

(b) If SMUD shall fail to pay any amount payable hereunder and/or under the Fee Agreement as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate and shall be payable by SMUD on demand.

(c) SMUD shall pay within thirty (30) days after demand any amounts advanced by or on behalf of the Bank to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Program Document, together with interest at the Default Rate.

*Section 2.6. The Revolving Notes.* (a) All Taxable Loans and other Obligations (other than Tax-Exempt Loans) shall be made against and evidenced by the Taxable Note. All Taxable Loans and other Obligations (other than Tax-Exempt Loans) and all payments and prepayments on account of the principal of and interest on each Taxable Loan and other Obligation (other than Tax-Exempt Loans) shall be recorded by the Bank on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts payable by SMUD hereunder and under the Taxable Note.

(b) All Tax-Exempt Loans shall be made against and evidenced by the Tax-Exempt Note. All Tax-Exempt Loans and all payments and prepayments on account of the principal of and interest on each Tax-Exempt Loan shall be recorded by the Bank on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts payable by SMUD hereunder and under the Tax-Exempt Note.

(c) SMUD's obligations to repay each Loan and Term Loan and to pay interest thereon as provided herein shall be evidenced and secured by the related Revolving Note, and SMUD shall pay amounts under the related Revolving Note on each date on which SMUD is required to make a principal payment on the related Loan or Term Loan, as applicable, in an amount equal to the Loan or Term Loan, as applicable, payment due on such date. The payment of the principal of and interest on a Revolving Note shall constitute payment of the principal of and interest on the related Loans or Term Loan, as applicable, and the payment of the principal of and interest on the Loans or Term Loan, as applicable, shall constitute the payment of principal and interest on the related Revolving Note and the failure to make any payment on any Loan or Term Loan, as applicable, when due shall be a failure to make a payment on the related Revolving Note and the failure to make any payment on the related Revolving Note when due shall be a failure to make a payment on the related Loan or Term Loan, as applicable.

*Section 2.7. Optional Termination or Reduction of Commitment.* During the Revolving Credit Period, SMUD may, upon at least three Business Days' notice to the Bank, (i) terminate the Commitment at any time, if no Loans are outstanding at such time, or (ii) reduce the Commitment from time to time by an aggregate amount of \$1,000,000 or any larger integral multiple of \$100,000, *provided*, that, after giving effect to such reduction of the Commitment, the Commitment shall be not less than the amount of the aggregate outstanding principal amount of the Loans.

*Section 2.8. Mandatory Termination or Reduction of Commitment.* (a) The Commitment shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon and all other amounts payable hereunder) shall be due and payable on such date, unless such Loans are converted to Term Loans as provided in Section 2.22 hereof.

(b) If at any time an Event of Default shall have occurred and be continuing, the Bank may deliver a written notice to that effect to SMUD, and the Commitment shall immediately terminate.

(c) In the event and on such occasion that the principal amount of outstanding Extensions of Credit exceeds the Commitment, SMUD shall prepay the Loans or otherwise reduce the outstanding Extensions of Credit in an aggregate amount equal to such excess.

*Section 2.9. Optional Prepayments.* SMUD may, upon at least one Business Days' notice to the Bank, prepay any Borrowing in whole at any time, or from time to time in part in amounts aggregating \$1,000,000 or any larger integral multiple of \$100,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment.

*Section 2.10. General Provisions as to Payments.* SMUD shall make each payment of the principal of, and interest on, the Loans and Term Loans and of fees hereunder and under the Fee Agreement, not later than 1:00 p.m. (Pacific time) on the date when due, in federal or other funds immediately available in Los Angeles, to the Bank at the Payment Account.

*Section 2.11. Computation of Interest and Fees.* Interest with respect to Loans bearing interest at the Tax-Exempt Daily SOFR Rate or the Taxable Daily SOFR Rate and fees shall be calculated on the basis of a 360-day year based upon the actual number of days elapsed and interest with respect to Alternate Rate Loans and Term Loans shall be calculated on the basis of a 365 or 366 day year, as applicable, and the actual number of days elapsed.

*Section 2.12. Benchmark Replacement.* Notwithstanding anything to the contrary contained in this Agreement or in any other Program Document, SMUD and Bank agree as follows:

(a) *Benchmark Replacement.* Notwithstanding anything to the contrary herein or in any other Program Document (for the purposes of this Section 2.12(a), a swap agreement is not a Program Document), upon the occurrence of a Benchmark Transition Event with respect to any Benchmark, the Bank shall determine the Benchmark Replacement to calculate SOFR for all purposes of this Agreement and the other Program Documents. The Benchmark Replacement shall be used to compute SOFR on and after the SOFR Determination Day which first occurs on or after the fifth (5th) Business Day after SMUD is provided with notice as described in Section 2.12(c) hereof. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.12(a) will occur prior to the applicable Benchmark Transition Start Date. Any Benchmark Replacement will become effective on the applicable Benchmark Replacement Date without any further action or consent of SMUD.

(b) *Benchmark Replacement Conforming Changes.* In connection with the adoption, implementation, use and administration of any Benchmark Replacement, the Bank will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Program Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of SMUD or any other party hereto or to any other Program Document.

(c) *Notices; Standards for Decisions and Determinations.* The Bank will promptly notify SMUD of (i) the occurrence of any Benchmark Transition Event and the related Benchmark Transition Start Date, (ii) the applicable Benchmark Replacement determined by the Bank with respect to such Benchmark Transition Event and (iii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Bank shall use commercially reasonable efforts to provide the notices set forth in the immediately preceding sentence ninety (90) days prior to the Benchmark Transition Start Date; *provided, however,* that (i) since the timing of such events are not within the Bank's sole control, SMUD acknowledges and agrees that it may be impossible for the Bank to determine if such events are occurring ninety (90) days prior to the Benchmark Transition Start Date and, in such case, the Bank shall use commercially reasonable efforts to provide such notice as soon as reasonably possible and (ii) the failure of the Bank to provide any such notice shall not affect the effectiveness of the terms and conditions of this Section 2.12. Any determination, decision or election that may be made by the Bank pursuant to this Section 2.12(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in the Bank's sole discretion and without consent SMUD or any other party hereto or to any other Program Document.

(d) *Benchmark Unavailability Period.* During a Benchmark Unavailability Period, the Benchmark shall be the Alternate Rate. Upon the commencement of a Benchmark Unavailability Period, SMUD may revoke any pending request for a Borrowing hereunder.

(e) *Favorable Opinion of Note Counsel.* If any Tax-Exempt Loan or Tax-Exempt Loans are then outstanding, SMUD shall cause a Favorable Opinion of Note Counsel to be delivered each time a new Benchmark Replacement is determined for calculation of the Tax-Exempt Daily SOFR Rate.

*Section 2.13. Determination of Taxability.* (i) In the event a Determination of Taxability occurs, SMUD hereby agrees to pay to the Bank and each Noteholder within thirty (30) days of demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Bank and such Noteholder on the Tax-Exempt Note or Tax-Exempt Loan, without duplication, during the period for which interest on the such Tax-Exempt Note or Tax-Exempt Loan is included in the gross income of the Bank and such Noteholder if the Tax-Exempt Note or Tax-Exempt Loan had borne interest at the Taxable Rate, beginning on the Taxable Date (the "Taxable Period"), and (B) the amount of interest actually paid to the Bank and such Noteholder during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Bank and such Noteholder as a result of interest on the Tax-Exempt Note or Tax-Exempt Loan becoming included in the gross income of the Bank and such Noteholder, together with any and all reasonable attorneys' fees, court costs, or other reasonable out-of-pocket costs incurred by the Bank and such Noteholder in connection therewith;

(ii) Subject to the provisions of clause (iii) below, the Bank and such Noteholder shall afford SMUD the opportunity, at SMUD's sole cost and expense, to contest (1) the validity of any amendment to the Internal Revenue Code which causes the interest on the Tax-Exempt Note or

Tax-Exempt Loan to be included in the gross income of Bank and such Noteholder or (2) any challenge to the validity of the tax exemption with respect to the interest on the Tax-Exempt Note or Tax-Exempt Loan, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); *provided* that, in no event shall the Bank or a Noteholder be required to make available its tax returns (or any other information relating to its taxes that it deems confidential) to SMUD or any other Person; and

(iii) As a condition precedent to the exercise by SMUD of its right to contest set forth in clause (ii) above, SMUD shall, upon reasonable demand, within thirty (30) days, reimburse the Bank and such Noteholder for any and all reasonable expenses (including reasonable attorneys' fees for services that may be required or desirable, as determined by the Bank and such Noteholder in its reasonable discretion) that may be incurred by the Bank and such Noteholder in connection with any such contest, and shall, within thirty (30) days from demand, reimburse Bank and such Noteholder for any and all penalties or other charges payable by the Bank or such Noteholder for failure to include such interest in its gross income.

(iv) Without prejudice to the survival of any other agreement of SMUD hereunder, the agreements and obligations of SMUD contained in this Section 2.13 shall survive the termination of this Agreement and the payment in full of the Obligations of SMUD thereunder and hereunder.

*Section 2.14. Payment Due on Non-Business Day to Be Made on Next Business Day.* If any sum becomes payable pursuant to this Agreement or the Fee Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

*Section 2.15. Default Rate.* Upon the occurrence and during the continuance of an Event of Default, all Obligations payable hereunder (for avoidance of doubt, excluding any fees which are not yet due and payable) shall bear interest until paid in full at a rate per annum equal to the Default Rate.

*Section 2.16. Net of Taxes, Etc.* (a) Any and all payments to the Bank or any Noteholder by SMUD hereunder or with respect to the Loans and Term Loans shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If SMUD shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Loans and/or Term Loans, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Bank or such Noteholder receives an amount equal to the sum it would have received had no such deductions been made, (ii) SMUD shall make such deductions and (iii) SMUD shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If SMUD shall make any payment under this Section to or for the benefit of the Bank or such Noteholder with respect to Indemnified Taxes and if the Bank or such Noteholder shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Bank or such Noteholder to any taxing jurisdiction in the United States of America then the Bank or such Noteholder shall pay to SMUD an amount

equal to the amount by which such other taxes are actually reduced; *provided*, that the aggregate amount payable by the Bank or such Noteholder pursuant to this sentence shall not exceed the aggregate amount previously paid by SMUD with respect to such Indemnified Taxes. In addition, SMUD agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Loans, the Term Loans or from the execution or delivery of this Agreement or the Revolving Notes, or otherwise with respect to this Agreement, the Loans or the Term Loans (hereinafter referred to as "*Other Taxes*"). The Bank or such Noteholder shall provide to SMUD within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by SMUD to the Bank or such Noteholder hereunder; *provided*, that the Bank or such Noteholder's failure to send such notice shall not relieve SMUD of its obligation to pay such amounts hereunder. SMUD may conduct a reasonable contest of any such Indemnified Taxes with the prior written consent of the Bank, which consent shall not be unreasonably withheld or delayed; *provided*, that SMUD shall, on demand, immediately reimburse the Bank for any and all expenses (including attorneys' fees for services that may be required or desirable, as determined by the Bank in its sole discretion) that may be incurred by the Bank in connection with any such contest.

(b) SMUD shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Bank or such Noteholder for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Bank or such Noteholder or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided*, that SMUD shall not be obligated to pay the Bank or such Noteholder for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Bank or such Noteholder's gross negligence or willful misconduct. The Bank or such Noteholder agrees to give notice to SMUD of the assertion of any claim against the Bank or such Noteholder relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided*, that the Bank or such Noteholder's failure to notify SMUD promptly of such assertion shall not relieve SMUD of its obligation under this Section. Payments by SMUD pursuant to this Section shall be made within thirty (30) days from the date the Bank or such Noteholder makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank or such Noteholder agrees to repay to SMUD any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by SMUD pursuant to this Section received by the Bank or such Noteholder for Indemnified Taxes or Other Taxes that were paid by SMUD pursuant to this Section and to contest, with the cooperation and at the expense of SMUD, any such Indemnified Taxes or Other Taxes which the Bank or such Noteholder or SMUD reasonably believes not to have been properly assessed.

(c) Within thirty (30) days after the date of any payment of Indemnified Taxes by SMUD, SMUD shall furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof.

(d) Notwithstanding anything contained in paragraphs (a) or (b) of this Section, SMUD shall have no liability to the Bank or any Noteholder with respect to any Indemnified Taxes to the

extent incurred or imposed on the Bank or any Noteholder more than one hundred eighty (180) days prior the date written notification thereof is given to SMUD by the Bank (the “*Cut-Off Date*”), except where (A) the Bank had no actual knowledge of the action resulting in such Indemnified Taxes as of the Cut-Off Date or (B) such Indemnified Taxes apply to the Bank retroactively to a date prior to the Cut-Off Date.

(d) The obligations of SMUD under this Section 2.16 shall survive the termination of this Agreement and the repayment of all Obligations hereunder for a period of one hundred eighty (180) days after such termination and final repayment; *provided, however*, that in the event any taxing jurisdiction imposes Indemnified Taxes on the Bank or any Noteholder after the end of such 180 day period but retroactively to a date prior to the end of such 180 day period, as described in this Section 2.16, the Bank may impose such Indemnified Taxes on SMUD in accordance with the terms of this Section 2.16; *provided, further, however*, that the foregoing proviso shall only apply to any Indemnified Taxes imposed not later than two (2) years after the date this Agreement terminates and all Obligations have been paid in full.

*Section 2.17. Increased Costs.* (a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Bank or any Recipient;

(ii) subject any Recipient to any Taxes of any kind whatsoever with respect to this Agreement, or change the basis of taxation of payments to the Bank or such Recipient in respect thereof (except for Indemnified Taxes covered by Section 2.16 hereof and the imposition of, or any change in the rate of any Excluded Tax payable by the Bank or any Recipient); or

(iii) impose on the Bank or any Recipient any other condition, cost or expense affecting this Agreement or the Fee Agreement or any Letter of Credit or any participation therein;

and the result of any of the foregoing shall be to increase the cost to the Bank or such Recipient related to issuing or maintaining this Agreement, the Commitment or any Loan or Term Loan or Letter of Credit, or to reduce the amount of any sum received or receivable by the Bank or such Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of the Bank, SMUD shall promptly pay to the Bank (for the Bank or such Recipient, as the case may be) such additional amount or amounts as will compensate the Bank or such Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Bank or any Recipient determines that any Change in Law affecting the Bank or such Recipient or the Bank’s or such Recipient’s parent or holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on the Bank’s or such Recipient’s capital or liquidity or the capital or

liquidity of such Bank's or such Recipient's parent or holding company holding, if any, as a consequence of this Agreement, or for maintaining this Agreement, the Commitment or any Loan or Term Loan, to a level below that which the Bank or such Recipient or the Bank's or such Recipient's parent or holding company could have achieved but for such Change in Law (taking into consideration the Bank's or such Recipient's policies and the policies of the Bank's or such Recipient's parent or holding company with respect to capital or liquidity adequacy), then from time to time upon written request of the Bank SMUD shall promptly pay to the Bank (for the Bank or such Recipient, as the case may be) such additional amount or amounts as will compensate the Bank or such Recipient or the Bank's or such Recipient's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Bank or a Recipient setting forth the amount or amounts necessary to compensate the Bank or any such Recipient or the Bank's or any such Recipient's parent or holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to SMUD, shall be conclusive absent manifest error. SMUD shall pay the Bank or any such Recipient, as the case may be, the amount shown as due on any such certificate within thirty (30) days after receipt thereof. Each Recipient shall have the benefits of this Section 2.17, but shall not be entitled to receive any greater payment under such Section than the Bank would have been entitled to receive in connection with the rights transferred.

(d) *Delay in Requests.* Failure or delay on the part of the Bank or any such Recipient to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Bank's right to demand such compensation; *provided* that SMUD shall not be required to compensate the Bank pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six (6) months prior to the date that the Bank notifies SMUD of the Change in Law giving rise to such increased costs or reductions and of the Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six (6) month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) *Survival.* The obligations of SMUD under this Section 2.17 shall survive the termination of this Agreement and the repayment of all Obligations hereunder for a period of one hundred eighty (180) days after such termination and final repayment; *provided, however,* that in the event any Change in Law provides for retroactive increased costs or retroactive imposition of capital adequacy or liquidity requirements, as described in this Section 2.17, the Bank may impose such costs on SMUD in accordance with the terms of this Section 2.17; *provided, further, however,* that the foregoing proviso shall only apply to any Change in Law occurring not later than two (2) years after the date this Agreement terminates and all Obligations have been paid in full.

*Section 2.18. Margin Regulations.* No portion of the proceeds of any Loans or Term Loans shall be used by SMUD (or any other Person on behalf of SMUD) for the purpose of "purchasing" or "carrying" any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U, Regulation T, or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of said Board of Governors or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of such Loans or Term Loans and such use of proceeds.

*Section 2.19. Maximum Rate; Payment of Fee.* Anything in this Agreement to the contrary notwithstanding, if the rate of interest due hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof without regard to the Maximum Rate and (B) the Maximum Rate (the “*Excess Interest*”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time SMUD shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. To the extent permitted by law, upon the termination of the Commitment and/or this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, SMUD shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

*Section 2.20. Security for Obligations.* This Agreement constitutes the Credit Agreement (as defined in the Note Resolution) under the Note Resolution and has all rights and benefits thereof. In order to secure the timely payment of all Obligations and to secure the performance and observance of all of the covenants, agreements and conditions contained in this Agreement and the Fee Agreement, SMUD has pledged the Available Revenues to the Bank (for the benefit of the Bank and any Affiliate of the Bank to whom any Obligation is at any time owed), pursuant to and on the terms and subject to the conditions set forth in the Note Resolution. The pledge of Available Revenues under the Note Resolution constitutes a valid pledge of and charge and lien upon the Available Revenues, has attached and is effective, binding, and enforceable against SMUD, its successors, purchasers of any of the Available Revenues, creditors, and all others asserting rights therein to the extent set forth in, and in accordance with, the Note Resolution, irrespective of whether those parties have notice of the lien on, security interest in and pledge of the Available Revenues and without the need for any physical delivery, recordation, filing or further act.

*Section 2.21. Method of Payment; Etc.* All payments to be made by SMUD under this Agreement and the Fee Agreement shall be made at the Payment Account not later than 4:00 P.M. (New York time) on the date when due and shall be made in lawful money of the United States of America in freely transferable and immediately available funds. All payments received by the Bank after 4:00 P.M. (New York time) shall be deemed to have been made on the next succeeding Business Day and any applicable interest or fees shall continue to accrue.

*Section 2.22. The Term Loans.* (a) *Generally.* (i) On the Facility Maturity Date, so long as (A) SMUD shall have delivered to the Bank a written request in the form of Exhibit E hereto no later than thirty (30) days prior to the Facility Maturity Date, (B) immediately before and as a result of giving effect to such conversion, no Credit Default or Credit Event of Default shall have occurred and be continuing on the Facility Maturity Date, (C) immediately before and as a result of giving effect to such conversion, (1) there has been no material adverse change in SMUD’s business, assets, liabilities, financial condition, results of operations or business prospects which could reasonably be expected to result in a material adverse effect on SMUD’s ability to perform

its obligations under this Agreement and the Program Documents or the rights, security or interests of the Bank hereunder and under the Program Documents and (2) no event described in clause (b) of the definition of Material Adverse Change shall have occurred on the Facility Maturity Date and (D) the Bank shall not have terminated its obligation to make Term Loans as a result of a Non-Credit Event of Default pursuant to Section 6.2(b) hereof, the Loans, if any, maturing on such date shall be automatically converted to term loans (each a “*Term Loan*” and collectively the “*Term Loans*”), the proceeds of which shall be deemed to have refunded the Loans.

(ii) The Term Loans shall be evidenced by the Taxable Note and the Tax-Exempt Note, as applicable. The Term Loans may be repaid in whole or in part on any Business Day upon prior written notice from SMUD to the Bank.

(b) *Repayment.* SMUD shall pay to the Bank the outstanding principal amount of the Term Loans in equal (as nearly as possible) installments on each Amortization Payment Date and on the Amortization End Date; *provided, however,* that, notwithstanding anything contained herein to the contrary, the entire principal amount of the Term Loans, plus accrued and unpaid interest thereon, shall be due and payable in full on the Amortization End Date (or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof).

## ARTICLE THREE

### CONDITIONS PRECEDENT

*Section 3.1. Conditions Precedent to the effectiveness of this Agreement.* As conditions precedent to the obligation of the Bank to establish the Commitment and execute and deliver this Agreement, SMUD shall provide to the Bank on the Closing Date, each in form and substance satisfactory to the Bank and its counsel, Chapman and Cutler LLP (hereinafter, “*Bank’s Counsel*”):

(i) *Approvals.* The Bank shall have received an executed counterpart of this Agreement duly executed by SMUD and the Bank and an executed original of each Revolving Note and copies of all action taken by SMUD (including, without limitation, any resolution adopted or passed by SMUD in connection therewith) approving the execution and delivery by SMUD of this Agreement, the Fee Agreement, the Revolving Notes and the other Program Documents, in each case, certified by an authorized official of SMUD as complete and correct as of the date hereof.

(ii) *Incumbency of Officials.* The Bank shall have received an incumbency certificate of SMUD in respect of each of the officials who is authorized to (a) sign this Agreement, the Revolving Notes and the other Program Documents on behalf of SMUD and (b) take actions for SMUD under this Agreement, the Revolving Notes and the other Program Documents.

(iii) *Opinion of Note Counsel.* The Bank shall have received an opinion of Note Counsel or a reliance letter thereon.

(iv) *Opinion of Counsel to SMUD.* The Bank shall have received an opinion addressed to the Bank and dated the Closing Date of the general counsel for SMUD, in form and substance satisfactory to the Bank, and addressing (i) SMUD's existence, (ii) SMUD's power and authority to enter into this Agreement and the Fee Agreement and to perform its obligations hereunder and thereunder, (iii) SMUD's execution and delivery of this Agreement and the Fee Agreement, (iv) the enforceability of SMUD's obligations under this Agreement and the Fee Agreement, (v) that SMUD has obtained all consents necessary to execute, deliver and perform this Agreement and the Fee Agreement, (vi) the execution and delivery of this Agreement and the Fee Agreement by SMUD will not violate any law, order or agreement to which SMUD is subject or to which SMUD is a party, and (vii) there is no litigation pending or threatened against SMUD that would prevent SMUD from executing and delivering this Agreement and the Fee Agreement or performing its obligations hereunder and thereunder.

(v) *Note Resolution and Other Program Documents.* The Bank shall have received (a) a certified copy of the Note Resolution, the Master Bond Resolution (or a certified copy of the annotated version thereof) and the Subordinated Bond Resolution (or a certified copy of the annotated version thereof) which have been adopted prior to the Closing Date, all certified by an authorized officer of SMUD as being in full force and effect and (b) fully executed or certified copies, as applicable, of all other Program Documents.

(vi) *Financial Information.* The Bank shall have received copies of any financial information of SMUD that the Bank may reasonably request.

(vii) *Legality; Material Adverse Change.* The Bank shall have determined (in its sole discretion) that (a) neither the making of any Loans nor the consummation of any of the transactions contemplated by the Note Resolution, the Revolving Notes, this Agreement or any other Program Document will violate any law, rule, guideline or regulation applicable to SMUD, the Bank, the Commitment, the Revolving Notes or this Agreement, and (b) no Material Adverse Change shall have occurred since December 31, 2020.

(viii) *Fees, Etc.* The Bank shall have received payment of the fees, costs and expenses payable on the Closing Date.

(ix) *Revolving Notes.* The Bank shall have received (a) executed Revolving Notes and (b) written evidence satisfactory to the Bank that a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Service for each Revolving Note.

(x) *Closing Certificate.* The Bank shall have received a certificate from SMUD executed by the Authorized SMUD Representative, dated the Closing Date, stating that:

(a) the representations and warranties of SMUD contained in this Agreement and each certificate furnished or delivered by SMUD to the Bank

pursuant hereto are true and correct on and as of the Closing Date as though made on and as of such date;

(b) no “default” or “event of default” under any Program Document to which SMUD is a party and no Default or Event of Default has occurred and is continuing or would result from the entering into or performance under this Agreement and the other Program Documents; and

(c) except as has been disclosed to the Bank in writing prior to the Closing Date, there has been no Material Adverse Change since December 31, 2020.

(xi) *Other Documents.* The Bank shall have received such other documents, certificates, and opinions as the Bank or the Bank’s counsel shall have reasonably requested.

(xii) *Bank Counsel Opinion.* SMUD shall have received an opinion of Bank’s Counsel as to the Bank’s execution and delivery of this Agreement and the enforceability of the Bank’s obligations under this Agreement.

*Section 3.2. Borrowings During the Revolving Credit Period and Letters of Credit.* The obligation of the Bank to make a Loan on the occasion of any Borrowing or to convert any Tax-Exempt Loan to a Taxable Loan or to issue any Letter of Credit on or prior to the Termination Date is subject to the satisfaction of the following conditions:

(a) receipt by the Bank of a Notice of Borrowing (or appropriate notice regarding continuation or conversion) as required by Section 2.2 hereof or application for Letter of Credit, as applicable;

(b) immediately after such Borrowing, continuation or conversion or the issuance of such Letter of Credit, the aggregate outstanding principal amount of all Extensions of Credit will not exceed the amount of the Commitment;

(c) immediately before and as a result of giving effect to such Borrowing, continuation or conversion or issuance of such Letter of Credit, no Credit Default, Credit Event of Default, Optional Termination Event or Rating Event shall have occurred and be continuing;

(d) immediately before and as a result of giving effect to such Borrowing, continuation or conversion or issuance of such Letter of Credit, (1) there has been no material adverse change in SMUD’s business, assets, liabilities, financial condition, results of operations or business prospects which could reasonably be expected to result in a material adverse effect on SMUD’s ability to perform its obligations under this Agreement and the Program Documents or the rights, security or interests of the Bank hereunder and under the Program Documents and (2) no event described in clause (b) of the definition of Material Adverse Change shall have occurred; and

(e) immediately before such Borrowing, continuation or conversion or issuance of such Letter of Credit, the Bank shall not have terminated its obligation to make Loans as a result of a Non-Credit Event of Default pursuant to Section 6.2(b) hereof.

Each Borrowing, continuation or conversion hereunder shall be deemed to be a representation and warranty by SMUD on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of this Section and that no Default or Event of Default has occurred and is continuing.

*Section 3.3. Each Tax-Exempt Loan Borrowing.* The obligation of the Bank to make each Tax-Exempt Loan hereunder is subject to the satisfaction of the following conditions:

(a) all conditions set forth in Section 3.2 hereof shall be satisfied prior to the making of such Loan;

(b) the Bank shall have received an executed opinion of Note Counsel addressed to SMUD and with a reliance letter to the Bank, in a form acceptable to the Bank, to the effect that the interest on such Loan is excluded from gross income for federal income tax purposes; and

(c) SMUD shall have executed, and the Bank shall have received an executed copy of a tax certificate or supplement to an existing tax certificate, including a completed Form 8038-G, relating to such Borrowing, in each case in a form acceptable to Note Counsel.

*Section 3.4. No Rating; DTC; Offering Document.* Neither Revolving Note shall be (i) assigned a specific rating by any Rating Agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document or (iv) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent.

## ARTICLE FOUR

### REPRESENTATIONS AND WARRANTIES

*Section 4.1. Representations of SMUD.* In order to induce the Bank to establish the Commitment and execute and deliver this Agreement, SMUD represents and warrants to the Bank as follows:

(a) *Existence and Power.* SMUD is a municipal utility district organized and existing under and by virtue of the Act, and is possessed of full powers to own and lease (as lessor and lessee) real and personal property, to own and operate the Electric System, to conduct its other business as presently conducted and to enter into contracts such as this Agreement and the SMUD Program Documents, which powers have been validly exercised in connection with the transactions effected by this Agreement and the SMUD Program Documents.

(b) *Authorization; Contravention; Approvals.* The execution, delivery and performance by SMUD of this Agreement, the Fee Agreement and the SMUD Program Documents and the other documents contemplated hereby and thereby are within the powers of SMUD, have been duly authorized by all necessary actions and (i) do not contravene the Act or any other law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction binding on or affecting SMUD and (ii) except as provided in or contemplated by this Agreement and the Program Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of SMUD. SMUD is not in violation of or in default in any material respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award that would prevent or is reasonably likely to prevent SMUD from performing its obligations under this Agreement or the SMUD Program Documents. SMUD is not in violation of or in default in any material respect under any indenture, agreement, lease, instrument or other contractual restriction and is not in violation of or in default in any respect under any of the SMUD Program Documents that would prevent or is reasonably likely to prevent SMUD from performing its obligations under this Agreement or the SMUD Program Documents. No Default or Event of Default has occurred and is continuing. All orders, consents and other authorizations or approvals of all Governmental Authorities and all other Persons have been obtained (and no additional authorization, approval or other action by, and no notice to or filing or registration with, any Governmental Authority is required to be made or obtained by SMUD) for the due execution, delivery and performance by SMUD of this Agreement and the SMUD Program Documents.

(c) *Enforceability.* This Agreement and the SMUD Program Documents, and other documents contemplated hereby and thereby to which SMUD is a party or by which it is bound, are legally valid and binding obligations of SMUD enforceable against SMUD in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) general principles of equity; (iii) the exercise of judicial discretion in appropriate cases; and (iv) to the limitations on legal remedies against municipal utility districts in the State of California.

(d) *Litigation.* Except as disclosed in writing to the Bank prior to the Closing Date, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, Governmental Authority or arbitrator pending or, to the best knowledge of SMUD, threatened, against or directly involving SMUD (including, without limitation, the ability of SMUD to establish and collect rates for the generation, transmission and distribution of electric power), affecting the existence of SMUD, the title of any officials to their respective offices or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any Program Document, or in any way contesting or affecting the validity or enforceability of the Revolving Notes, this Agreement, any Program Document or contesting the tax-exempt status of the Tax-Exempt Note, or contesting the powers of SMUD or any authority for the issuance of the Revolving Notes, the execution and delivery of this Agreement or the SMUD Program Documents, nor, to the best knowledge of SMUD, is there any basis therefor, which, if determined adversely to SMUD (i) would adversely affect the validity or enforceability of, or the authority or ability of SMUD to perform its obligations under, this Agreement, the Fee Agreement or any SMUD Program Documents, (ii) would, in the reasonable opinion of SMUD, have a material adverse effect on the business, financial position or results of operations of SMUD or (iii) would adversely

affect the exclusion of interest on the Tax-Exempt Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

(e) *Financial Information.* (i) The audited financial statements of SMUD included in the 2020 Financial Statements, true and correct copies of which have heretofore been delivered or made available to the Bank, fairly present, in conformity with generally accepted accounting principles the financial position of SMUD and its results of operations and changes in financial position at the dates and for the periods indicated.

(ii) Except as has been disclosed in writing to the Bank prior to the Closing Date, since December 31, 2020, there has been no material adverse change in the business, financial position or results of operations of SMUD which could reasonably be expected to result in a material adverse effect on SMUD's ability to perform its obligations hereunder or thereunder or the rights, security or interests of the Bank.

(iii) Except as reflected in the financial statements included in the 2020 Financial Statements or as has been disclosed in writing to the Bank prior to the Closing Date and except for SMUD's obligations set forth in this Agreement and the SMUD Program Documents, there are as of the date hereof no liabilities or obligations with respect to SMUD of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, in the aggregate, would be material to SMUD. SMUD does not know of any basis for the assertion against SMUD of any liability or obligation of any nature whatsoever that is not reflected in the financial statements included in the 2020 Financial Statements or other written disclosure to the Bank delivered prior to the Closing Date which, in the aggregate, could be material to SMUD.

(f) *Disclosure.* No written information furnished by SMUD to the Bank in connection with this Agreement (except information which has been superseded by subsequent information provided by SMUD) includes any untrue statement of a material fact.

(g) *Environmental Matters.* Except as disclosed in writing to the Bank prior to the Closing Date, SMUD has not received notice to the effect that the operations of the Electric System are not in compliance with any of the requirements of applicable Federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action could have a Material Adverse Effect.

(h) *Plans.* SMUD currently has a Plan which is in compliance in all respects with the requirements of the applicable laws of the State of California, including without limitation the obligation to pay contributions on behalf of its employees in accordance therewith, and SMUD has no Plan which is subject to the requirements of ERISA. No condition exists or event or transaction has occurred with respect to any Plan which could reasonably be expected to result in the incurrence by SMUD of any material liability, fine or penalty.

(i) *Regulations U and X.* SMUD is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X

issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Loans or Term Loans will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(j) *Tax-Exempt Status.* SMUD has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Tax-Exempt Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

(k) *Security.* The Note Resolution creates a pledge of the Available Revenues as security for the punctual payment of the interest and principal due with respect to the Revolving Notes, the Parity Notes, the Obligations owed to the Bank hereunder and all Parity Notes Reimbursement Agreements. All actions necessary to create a pledge of the Available Revenues have been duly and validly taken. SMUD's obligation to pay the Obligations is *pari passu* with its obligation to pay the Revolving Notes, Parity Notes and all Parity Notes Reimbursement Agreements.

(l) *Constitutional Matters.* There is no amendment, or, to the best knowledge of SMUD, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation which has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have Material Adverse Effect.

(m) *No Sovereign Immunity.* SMUD represents that it is not entitled to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself from (i) suit or (ii) jurisdiction of any court because of its status as a political subdivision of the State of California.

(n) *Incorporation of Representations and Warranties by Reference.* SMUD hereby makes to the Bank every representation and warranty made by it in SMUD Program Documents, which representations and warranties, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated herein by this reference with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment, modification, termination or replacement of any such representations, warranties and definitions contained in the SMUD Program Documents shall be effective to amend, modify, terminate or replace the representations, warranties and definitions incorporated herein by this reference, without the prior written consent of the Bank. The representations and warranties of SMUD in all of the SMUD Program Documents are true and correct in all material respects.

(o) *No Violation of Usury Laws.* The terms of the Note Resolution regarding the calculation and payment of interest on the Revolving Notes do not violate any applicable usury laws of the State of California and, assuming that the Bank is an exempted class of persons within the meaning of Article 15 of the California Constitution, the terms of this Agreement, the Fee Agreement, and the Revolving Notes regarding the calculation and payment of interest and fees

and other amounts due under this Agreement, the Fee Agreement, and the Revolving Note do not violate any applicable usury laws of the State of California.

(p) *Compliance.* SMUD is in substantial compliance with all laws, ordinances, orders, rules and regulations applicable to it, except to the extent noncompliance could not reasonably be expected to result in a Material Adverse Effect.

(q) *Default.* SMUD is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any SMUD Program Document, the Master Bond Resolution, the Subordinated Bond Resolution or any other resolution, agreement or instrument to which it is a party which could have a Material Adverse Effect.

(r) *Reserved.*

(s) *Insurance.* The properties of SMUD are insured in accordance with the terms of the Master Bond Resolution.

(t) *Taxes.* SMUD has filed any Federal, state and other material tax returns and reports required to be filed, and has paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against SMUD that would, if made, have a Material Adverse Effect.

(u) *Casualty.* Neither the business nor the Property of SMUD is currently affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), which could have a Material Adverse Effect.

(v) *Anti-Corruption Laws; Anti-Money Laundering Laws and Sanctions.* (i) None of (i) SMUD, any Subsidiary or, to the knowledge of SMUD or such Subsidiary, any of their respective directors, officers, employees or Affiliates, or (ii) to the knowledge of SMUD, any agent or representative of SMUD that will act in any capacity in connection with or benefit from the credit facility established under this Agreement, (A) is a Sanctioned Person or currently the subject or target of any Sanctions, (B) has its assets located in a Sanctioned Country, (C) is under administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (D) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Person.

(ii) Each of SMUD and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by SMUD and its Subsidiaries and their respective directors, officers, employees, agents and Affiliates with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

(iii) Each of SMUD and its Subsidiaries, and to the knowledge of the Borrower, director, officer, employee, agent and Affiliate of Borrower and each such Subsidiary, is in compliance with all Anti-Corruption Laws, Anti-Money Laundering Laws in all material respects and applicable Sanctions.

(iv) No proceeds of any Extension of Credit have been used, directly or indirectly, by SMUD, any of its Subsidiaries or any of its or their respective directors, officers, employees and agents in violation of Section 5.1(m)(ii).

(w) *Anti-Terrorism Laws.* (i) SMUD is not in violation of any laws relating to terrorism or money laundering (“*Anti-Terrorism Laws*”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “*Executive Order*”), and the Patriot Act;

(ii) SMUD is not any of the following:

(A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(B) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(C) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(D) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(E) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“*OFAC*”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(iii) SMUD is an electrical utility. To its knowledge, SMUD does not (A) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (ii)(B) above, (B) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (C) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

## **ARTICLE FIVE**

### **COVENANTS**

*Section 5.1. Covenants of SMUD.* SMUD will do the following so long as any amounts may be drawn hereunder or any Obligations remain outstanding under this Agreement, unless the Bank shall otherwise consent in writing:

(a) *Reports and Other Information.* SMUD will furnish, or cause to be furnished, at SMUD's expense to the Bank:

(i) As soon as possible and in any event within five (5) Business Days after the knowledge (actual or constructive) or notice of occurrence of any Event of Default, a statement of the Authorized SMUD Representative setting forth details of such Event of Default and the action that SMUD proposes to take with respect thereto;

(ii) As soon as available and in any event within two hundred seventy (270) days after the end of each Fiscal Year of SMUD, a copy of the audited financial statements of SMUD for such year, including a balance sheet of SMUD as at the end of such Fiscal Year and the related statements of revenues, expenses and changes in fund balances and statement of cash flows, all in reasonable detail and reported on by a firm of nationally recognized independent certified public accountants, and the report of such firm of independent certified public accountants shall state, without qualification, that such financial statements present fairly the financial position of SMUD as of the end of such Fiscal Year, the results of operations, the changes in fund balances and cash flows of SMUD for such Fiscal Year then ended in conformity with generally accepted accounting principles;

(iii) Simultaneously with the delivery of each set of financial statements referred to in clause (ii) above, a certificate of an Authorized SMUD Representative stating whether there exists on the date of such certificate any Event of Default or Default and, if any Event of Default or Default then exists, setting forth the details thereof and the action that SMUD is taking or proposes to take with respect thereto;

(iv) *Unaudited Semiannual Financials.* As soon as available and in any event within 60 days after June 30 and December 31 of each calendar year, a copy of the unaudited internally prepared balance sheet and statement of changes in net asset of SMUD for the six month or one year period ended on such date, setting forth in each case in comparative form the corresponding figures for the corresponding fiscal period for the preceding fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles, consistently applied, together with a compliance certificate signed by an Authorized SMUD Representative stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default.

(v) As soon as practicable and in any event within ten (10) Business Days after SMUD obtains actual knowledge of: (A) any litigation, arbitration or governmental proceeding pending against SMUD that challenges SMUD's ability to perform its obligations under this Agreement and/or the SMUD Program Documents; or (B) any other

event or condition that would prevent or is reasonably likely to prevent SMUD from performing its obligations under this Agreement and/or the SMUD Program Documents, in each case a statement of the Authorized SMUD Representative setting forth details describing the same and the steps being taken with respect thereto;

(vi) As soon as practicable, notice of any disclosure documents publicly distributed in connection with any issue of Parity Bonds, Parity Subordinated Debt or Parity Notes;

(vii) As soon as practicable, notice of any change in, or the withdrawal of, any rating of Bonds or Subordinated Bonds (without regard to bond insurance or any other form of credit enhancement) by any Rating Agency; and

(viii) From time to time, such additional information regarding the financial position, results of operations, business or prospects of SMUD as the Bank may reasonably request.

(b) *Books and Records; Inspections.* SMUD will keep proper books of record and account with respect to the Electric System in which full and correct entries shall be made of assets and liabilities, financial transactions and business of SMUD in conformity with generally accepted accounting principles. SMUD will upon reasonable notice permit any Person designated by the Bank in writing to visit any of the properties of SMUD, and to examine the books and financial records of SMUD relating to the Electric System and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of SMUD relating to SMUD with the principal officers of SMUD all at such reasonable times during normal business hours and as often as the Bank may reasonably request.

(c) *Maintain Existence.* SMUD shall take no action that would terminate its existence, rights and franchises as a municipal utility district duly organized and existing under the Constitution and laws of the State of California.

(d) *Compliance with Laws.* SMUD will comply with the requirements of all laws, rules, regulations and orders of any Governmental Authority having jurisdiction over SMUD and/or the Electric System, noncompliance with which would materially adversely affect the ability of SMUD to perform its obligations under this Agreement and the SMUD Program Documents.

(e) *Compliance with Agreements.* SMUD will observe and perform all of its obligations under this Agreement and the SMUD Program Documents.

(f) *Incorporation of Covenants by Reference.* SMUD, by this reference, hereby incorporates into this Agreement those covenants and agreements made by it in Sections 3.02, 3.05, 3.06 and 6.08 of the Master Bond Resolution (as in effect on the effective date of this Agreement) and in the SMUD Program Documents, as such covenants and agreements exist on the date hereof, as if such covenants and agreements were set forth herein in their entirety together with all defined terms and interpretative provisions necessary for a complete understanding thereof. The incorporated provisions shall be in addition to the express covenants contained herein

and shall not be limited by the express covenants contained herein nor shall the incorporated provisions be a limitation on the express covenants contained herein. In the event of a conflict between the covenants and agreements set forth in this Article V (other than the incorporated provisions) and the incorporated provisions, the covenants and agreements set forth in the other provisions of Article V shall prevail.

(g) *SMUD Program Documents.* SMUD will not amend, supplement or otherwise modify, or agree to the amendment, modification or termination of, any of the SMUD Program Documents (including, without limitation, an amendment to the Note Resolution reducing the Maximum Interest Rate to a rate below 12%) if such action could reasonably be expected to (i) adversely affect SMUD's ability to perform its obligations under this Agreement or the SMUD Program Documents, (ii) adversely affect the business, financial position or results of operations of SMUD or (iii) adversely affect the rights, interests, security or remedies of the Bank, in each case, without the prior written consent of the Bank (the Bank shall provide SMUD its determination as to whether or not it consents to any amendment, supplement or modification to any SMUD Program Documents within ten (10) Business Days of written notice from SMUD of such amendment, supplement or modification). SMUD shall provide written notice to the Bank of any proposed amendment to the Master Bond Resolution or Subordinated Bond Resolution (and a copy of such proposed amendment) at least ten (10) calendar days prior to its effective date.

(h) *Reserved.*

(i) *Alternate Provider.* SMUD agrees that any termination of the Commitment and this Agreement as a result of the provision of any alternate credit facility will require, as a condition thereto, that SMUD or the issuer of the alternate credit facility will provide funds on the date of such termination or provision, which funds will be sufficient to pay in full at the time of termination of the Commitment all Obligations due to the Bank hereunder.

(j) *Reserved.*

(k) *Reserved.*

(l) *Offering Documents.* SMUD shall not make reference to the Bank in any offering document without the Bank's prior written consent thereto (other than references to the name of the Bank solely in the Bank's capacity as the credit provider with respect to the Revolving Notes). Except as may be required by law (including, but not limited to, federal and state securities laws), SMUD shall not use the Bank's name (other than references to the name of the Bank solely in the Bank's capacity as the credit provider with respect to the Revolving Notes) in any published materials (other than SMUD's staff reports, annual statements, audited financial statements, rating agency presentations) without the prior written consent of the Bank.

(m) *Use of Proceeds.* (i). The proceeds of the Loans and Term Loans will be expended in the manner set forth in the Note Resolution and in not in violation of any applicable law.

(ii) SMUD shall not request any Extension of Credit, and SMUD shall not use, and shall ensure that its Subsidiaries and its or their respective directors, officers,

employees and agents shall not use, the proceeds of any Extension of Credit, directly or indirectly, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(n) *Ranking of Obligations.* SMUD shall not take any action that would result in the Obligations not ranking at least pari passu in right of payment from Available Revenues with the Revolving Notes, Parity Notes and Parity Notes Reimbursement Agreements.

(o) *Investments.* SMUD will not, directly or indirectly, invest in instruments and securities other than those permitted by, and in accordance with, California Government Code Sections 53600 to 53609, the Master Bond Resolution, the Subordinated Bond Resolution or the Program Documents. SMUD will not permit SMUD to encumber its cash position nor schedule the interest payment dates and maturities of its investments in a manner which impedes, hinders or interferes with the availability of funds to meet SMUD's expected cash needs.

(p) *Compliance with Anti-Corruption Laws; Beneficial Ownership Regulation, Anti-Money Laundering Laws and Sanctions.* SMUD shall (i) maintain in effect and enforce policies and procedures designed to promote and achieve compliance by SMUD, its Subsidiaries and their respective directors, officers, employees and agents with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions, (ii) notify the Bank of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein (or, if applicable, SMUD ceasing to fall within an express exclusion to the definition of "legal entity customer" under the Beneficial Ownership Regulation) and (iii) promptly upon the reasonable request of the Bank, provide the Bank any information or documentation requested by it for purposes of complying with the Beneficial Ownership Regulation.

(q) *Plans.* SMUD will (i) remain at all times in compliance with any applicable law (including any legally available grace periods) with respect to any Plan, and (ii) maintain each Plan as to which it may have any liability in compliance in all material respects with the provisions of applicable law, the failure to comply with which could subject SMUD to any tax or penalty which tax or penalty, taken together, with all other taxes and penalties which could be assessed against SMUD by reason of all other non-compliances, would have a material adverse effect on the business, financial position or results of operations of SMUD.

(r) *Payment of Taxes, Etc.* SMUD will pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon SMUD on account of the Electric System or any portion thereof and which, if unpaid, might impair the security of the Revolving Notes, when the same shall become due, but nothing herein contained shall require SMUD to pay any such tax, assessment or charge so long as it shall in good faith contest the validity thereof. SMUD will duly observe and conform to all

valid material requirements of any Governmental Authority relative to the Electric System or any part thereof.

(s) *Operation and Maintenance of Electric System.* SMUD will operate, maintain and preserve the Electric System in good repair and working order in conformity with standards customarily followed for municipal power supply, transmission and distribution systems of like size and character. SMUD will from time to time make necessary and proper repairs, renewals, replacements and substitutions to the properties of the Electric System, so that business carried on in connection with the Electric System shall and can be conducted in an efficient and economical manner, and will operate the Electric System in an efficient and economical manner. SMUD shall not use the Electric System to conduct any business other than that which is lawfully permitted.

(t) *Amounts of Rates and Charges.* To the extent permitted by law, SMUD hereby covenants to establish, maintain and collect rates and charges with respect to the Electric System sufficient to pay the Parity Bonds, Parity Subordinated Debt, Parity Notes, Parity Notes Reimbursement Agreements, the Revolving Notes and all Obligations due and owing hereunder.

(u) *Maintenance of Insurance.* SMUD maintains self-insurance for general liabilities, property damage and workers' compensation claims. SMUD shall, at all times, continue to maintain such self-insurance or shall use its best efforts to maintain or cause to be maintained insurance or reserves against loss from such hazards and risks to the person or property of others as are usually insured or reserved against by those with rights and interests in property similar to the Electric System. SMUD shall also procure, and maintain at all times adequate fidelity insurance or bonds on all officers and employees handling or responsible for any Electric System revenues, such insurance or bonds to be in an aggregate amount at least equal to the maximum amount of such Electric System revenues at any one time in the custody of all such officers and employees or in the amount of one million dollars (\$1,000,000), whichever is less. The insurance described above may be provided as a part of any comprehensive fidelity and other insurance and not separately for the Electric System.

(v) *Sale or Other Disposition of Property.* SMUD will not sell or otherwise dispose of any property essential to the proper operation of the Electric System or to the maintenance of the Revenues. SMUD will not enter into any lease or agreement which impairs or impedes the operation of the Electric System or which otherwise impairs or impedes the rights of the Bondholders (as defined in the Master Bond Resolution) or the Bank with respect to Revenues. Subject to the preceding sentence, nothing contained herein shall prevent SMUD from entering into sale and leaseback agreements pursuant to which SMUD may acquire the use of property subject to the terms of such sale and leaseback agreements.

Notwithstanding the foregoing or any other provision of the Master Bond Resolution, SMUD may sell or otherwise dispose of its accounts receivable and customer loan balances due to

SMUD provided that:

(1) SMUD delivers to the Trustee (as defined in the Master Bond Resolution):

(a) a certificate of SMUD to the effect that the amount derived by SMUD from the sale or other disposition of such accounts receivable or loan balances is a result of the sale or other disposition of such accounts receivable or loan balances upon fair and reasonable terms no less favorable to SMUD than the terms of a comparable arm's-length transaction treated as a sale and not a loan under generally accepted accounting principles; and

(b) a written statement or report of an independent certified public accountant to the effect that, based on the audited financial statements of SMUD for the most recent fiscal year for which audited financial statements are available and after giving effect to such transaction by reducing Revenues for such fiscal year by the difference between the face amount of such accounts receivable or loan balances and the amount derived by SMUD from the sale or other disposition of such accounts receivable or loan balances, the debt service ratio computed pursuant to Section 5.04 of the Master Bond Resolution would not have been reduced to less than 1.40:1.0.

(w) *Liens.* Except as permitted by the Master Bond Resolution, the Subordinated Bond Resolution or the Note Resolution or as otherwise acceptable to the Bank, SMUD will not (a) issue any bonds, notes or other evidences of indebtedness of similar nature payable out of or secured by a security interest in or a pledge or assignment of the Electric System revenues pledged under the Master Bond Resolution, the Subordinated Bond Resolution or the Note Resolution and held or set aside by SMUD thereunder, or (b) create or cause to be created any Lien on the Electric System revenues. SMUD shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any portion of the Electric System revenue that would affect the priority of Liens in existence on the Closing Date.

(x) *Reserved.*

(y) *Further Assurances.* SMUD agrees to do such further acts and things and to execute and deliver to the Bank such additional assignments, agreements, powers and instruments as the Bank may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement and the Fee Agreement or to better assure and confirm to the Bank its rights, powers and remedies hereunder and under the SMUD Program Documents.

(z) *Immunity.* SMUD covenants that it will not claim immunity on the grounds of sovereignty or other similar grounds with respect to itself from (i) suit or (ii) jurisdiction of any court because of its status as a political subdivision of the State of California.

(aa) *Ratings.* SMUD shall maintain long-term unenhanced ratings from at least two Rating Agencies on Bonds and Parity Bonds.

(bb) *Swap Contracts.* Without the prior written consent of the Bank, SMUD shall not enter into any Swap Contracts relating to Debt wherein any termination payments thereunder are senior to or on parity with the payment of any Obligation.

(cc) *Shorter Amortization.* In the event that SMUD shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement relating to Parity Notes or other Debt of SMUD secured by a lien on Net Revenues on parity with the Revolving Notes which such Bank Agreement provides such Person with a shorter amortization period than what is set forth in Section 2.22(b) hereof (not taking into account any shorter amortization period that might occur under such Bank Agreement because of a default, termination event, or other similar event under such Bank Agreement) (each a “*Shorter Amortization Period*”), SMUD shall provide the Bank with a copy of each such Bank Agreement and such Shorter Amortization Period shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefit of such Shorter Amortization Period as if specifically set forth herein. SMUD shall promptly enter into an amendment to this Agreement to include such Shorter Amortization Period; *provided* that the Bank shall have and maintain the benefit of such Shorter Amortization Period even if SMUD fails to provide such amendment.

(dd) *Incorporation of Covenants by Reference.* SMUD agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in Sections 3.02, 3.05, 3.06 and 6.08 of the Master Bond Resolution and in each of the Program Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable against SMUD. To the extent that any such incorporated provision permits SMUD or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to SMUD or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Bank in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank which shall only be evidenced by the written approval by the Bank of the same. No termination or amendment to such covenants and agreements or defined terms or release of SMUD with respect thereto made pursuant to the Master Bond Resolution or the Program Documents, shall be effective to terminate or amend such covenants and agreements and defined terms or release SMUD with respect thereto in each case as incorporated by reference herein without the prior written consent of the Bank. Notwithstanding any termination or expiration of the Master Bond Resolution or the Program Documents, SMUD shall continue to observe such incorporated covenants therein contained for the benefit of the Bank until the termination of this Agreement and the payment in full of all Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

## ARTICLE SIX

### DEFAULTS

*Section 6.1. Events of Default and Remedies.* If any of the following events shall occur, each such event shall be an “Event of Default”:

(a) SMUD shall fail to pay when due (i) the principal of any Loan or Term Loan; (ii) the interest on any Loan or Term Loan; or (iii) any other amount payable hereunder or under the Fee Agreement and, solely with respect to clause (iii) hereof, such default shall continue unremedied for five (5) Business Days;

(b) SMUD shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in Sections 5.1(a)(i), 5.1(c), 5.1(f), 5.1(g), 5.1(i), 5.1(l), 5.1(m), 5.1(n), 5.1(t), 5.1(v), 5.1(w), 5.1(x) or 5.1(z); (ii) default in the due performance or observance by it of any other term, covenant or agreement contained in Sections 5.1(a)(v), 5.1(a)(vi) or 5.1(a)(vii) and such default shall continue unremedied for a period of 5 Business Days; (iii) default in the due performance or observance by it of any other terms, covenant or agreement contained in Section 5.1(a)(ii), 5.1(a)(iii), 5.1(a)(iv) or 5.1(a)(viii) and such default shall continue unremedied for a period of 5 Business Days after the Bank has provided written notice to SMUD; or (iv) default in the due performance or observance by it of any other term, covenant or agreement hereunder or under the Fee Agreement (other than those referred to in Section 6.1(a), 6.1(b)(i), 6.1(b)(ii) or 6.1(b)(iii) hereof) and such default shall continue unremedied for a period of thirty (30) days;

(c) Any representation, warranty, certification or statement made or deemed made by SMUD in this Agreement, any Program Document or in any certificate, financial statement or other document delivered to the Bank pursuant to this Agreement shall prove when made or deemed made, in the reasonable judgment of the Bank, to have been inaccurate and misleading in any material respect; or

(d) SMUD shall (i) default in any payment of (A) any Debt payable from or secured by Net Revenues beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Debt was created or (B) any obligation under any Swap Contract the obligations under which are secured by a lien on Net Revenues senior to or on a parity with the Obligations, or (ii) default in the observance or performance of any agreement or condition relating to any Debt payable from or secured by Net Revenues on parity with or senior to the Obligations or Swap Contract or Bank Agreement the obligations under which are payable from or secured by Net Revenues on parity with or senior to the Obligations contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit (A) the holder or holders (or a trustee or agent on behalf of such holder or holders) of any Debt or (B) the counterparty under any Swap Contract or Bank Agreement, in each case, payable from or secured by Net Revenues on parity with or senior to the Obligations to cause, with the giving of notice if required, such Debt or obligations under such Swap Contract or Bank

Agreement to become due prior to its stated maturity; or (iii) any Debt secured by a lien on Net Revenues senior to or on a parity with the Obligations or Swap Contract or Bank Agreement the obligations under which are payable from or secured by Net Revenues on parity with or senior to the Obligations shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof. For purposes of clarity, solely for purposes of this Section 6.1(d), Debt payable from or secured by Net Revenues means all Debt of SMUD regardless of lien level or priority payable from or secured by all or any portion of Net Revenues; or

(e) SMUD shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of itself or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally, or in the reasonable judgment of the Bank be unable, to pay its debts as they become due, or shall take any action to authorize any of the foregoing; or

(f) An involuntary case or other proceeding shall be commenced against SMUD seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such case or proceeding is not controverted within thirty (30) days and dismissed within sixty (60) days; or an order for relief shall be entered against SMUD under the Federal bankruptcy laws as now or hereafter in effect; or

(g) (i) A court of competent jurisdiction or other governmental authority with appropriate jurisdiction over SMUD shall enter a final and non-appealable judgment, order or decree declaring any (x) obligation of SMUD contained in this Agreement, any Program Document, the Master Bond Resolution or the Subordinated Bond Resolution or (y) Program Document, the Master Bond Resolution or the Subordinated Bond Resolution, in either case, to be invalid, not binding or unenforceable against SMUD or (ii) any action is taken by the SMUD Board or any officer of SMUD authorized by the SMUD Board to contest the validity or enforceability of this Agreement, any other Program Document, the Master Bond Resolution or the Subordinated Bond Resolution or the SMUD Board or any officer of SMUD authorized by the SMUD Board repudiates its obligations under any Program Document, the Master Bond Resolution or the Subordinated Bond Resolution or any provision thereof or with respect to any Debt of SMUD secured by or payable from Net Revenues senior to or on a parity with the Obligations, or SMUD shall seek an adjudication that this Agreement, any other Program Document, the Master Bond Resolution or the Subordinated Bond Resolution is not valid and binding; or

(h) A moratorium shall have been declared or announced by a Governmental Authority (whether or not in writing) with respect to any Debt of SMUD secured by Net Revenues, Net Subordinated Revenues or Available Revenues; or

- (i) Dissolution or termination of the existence of SMUD; or
- (j) A court of competent jurisdiction shall enter a final and non-appealable judgment, order or decree for the payment of money in excess of \$10,000,000 shall be rendered against SMUD and such judgment or order shall continue, unbonded or unsatisfied for a period of 60 days; or
- (k) Any of the funds or accounts established pursuant to the Master Bond Resolution, the Subordinated Bond Resolution or the Note Resolution or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of SMUD relating to an obligation or obligations of SMUD in excess of \$10,000,000 and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy; or
- (l) Any pledge or security interest created by this Agreement, any Program Document, the Master Bond Resolution or the Subordinated Bond Resolution to secure any amount due by SMUD under this Agreement, the Fee Agreement or either Revolving Note shall fail to be fully enforceable with the priority required hereunder or thereunder; or
- (m) (i) Any event which materially and adversely affects the ability of SMUD to observe and perform its obligations under this Agreement or the Fee Agreement shall have occurred and be continuing, (ii) any event which materially and adversely affects the ability of SMUD to observe and perform its obligations under any SMUD Program Document, the Master Bond Resolution or the Subordinated Bond Resolution shall have occurred and be continuing or (iii) either the Master Bond Resolution or the Subordinated Bond Resolution shall be amended and such amendment materially and adversely affects the ability of SMUD to observe and perform its obligations under this Agreement or the Fee Agreement; or
- (n) An “event of default” (or similar event) shall have occurred under any of the Program Documents, the Master Bond Resolution or the Subordinated Bond Resolution; or
- (o) There shall be appointed or designated with respect to SMUD, an entity such as an organization, board, commission, authority, agency or body to declare a financial emergency or similar state of financial distress with respect to it or there shall be declared by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it; or
- (p) The (i) downgrade by any Rating Agency of its long-term unenhanced rating with respect to any Bonds to a level below “Baa3” (or its equivalent) in the case of Moody’s, “BBB-” (or its equivalent) in the case of S&P or “BBB-” (or its equivalent) in

the case of Fitch or (ii) suspension or withdrawal by any Rating Agency of its respective long-term unenhanced rating on any Bonds for credit-related reasons.

*Section 6.2. Remedies.* Upon the occurrence of any Event of Default or an Optional Termination Event the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

- (a) declare all Obligations (including all Reimbursement Obligations and all L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented or shall be entitled to present the documents required thereunder) to be immediately due and payable, whereupon the same shall be immediately due and payable without any further notice of any kind, which notice is hereby waived by SMUD; *provided, however,* that in the case of an Event of Default described in Section 6.1(e), 6.1(f) or 6.1(h) hereof, such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing); or
- (b) with respect to Non-Credit Events of Default only, give notice to SMUD that its obligation to make Loans and Term Loans hereunder is terminated (SMUD hereby acknowledges that upon the occurrence of a Credit Event of Default, the Bank's obligation to make Loans and Term Loans shall automatically terminate without the giving of any notice) with respect thereto; or
- (c) with respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to Section 6.2(a), demand that SMUD shall at such time deposit in a Cash Collateral account opened by the Bank an amount equal to the Minimum Collateral Amount of the aggregate then undrawn and unexpired amount of such Letter of Credit. Amounts held in such Cash Collateral account shall be applied by the Bank to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay the other Obligations. After all such Letters of Credit shall have expired or been fully drawn upon, the Reimbursement Obligations shall have been satisfied and all other Obligations shall have been paid in full, the balance, if any, in such Cash Collateral account shall be returned to SMUD; or
- (d) pursue any rights and remedies it may have under the Program Documents; or
- (e) pursue any other action available at law or in equity.

## **ARTICLE SEVEN**

### **MISCELLANEOUS**

*Section 7.1. Amendments, Waivers, Etc.* No amendment or waiver of any provision of this Agreement, or consent to any departure therefrom, shall in any event be effective unless the

same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

*Section 7.2. Notices.* All notices and other communications provided for hereunder (except as provided in Section 2.2(b) hereof) shall be in writing (including required copies) and sent by received hand delivery (including Federal Express or other received courier service), facsimile or electronic transmission, or regular mail, as follows:

(a) if to SMUD:

Sacramento Municipal Utility District  
6201 S Street  
Sacramento, California 95817-1899  
Attention: Treasurer  
Telephone: (916) 732-5193  
Telecopy: (916) 732-5835  
Email: [Jennifer.Restivo@SMUD.org](mailto:Jennifer.Restivo@SMUD.org)

With copies to:

[Jon.Anderson@smud.org](mailto:Jon.Anderson@smud.org)  
[Alex.Fastovich@smud.org](mailto:Alex.Fastovich@smud.org)  
smud.cash@smud.org

(b) if to the Bank, with  
respect to the Loans:

Wells Fargo Bank, National Association  
333 South Grand Ave, 6th Floor  
Los Angeles CA 90071  
MAC E2064-062  
Attention: Tasha Wong Hasan  
Telephone: (213) 271-2455  
Email: [jason.pollack@wellsfargo.com](mailto:jason.pollack@wellsfargo.com)  
[tasha.wong@wellsfargo.com](mailto:tasha.wong@wellsfargo.com)  
[Brian.L.Goins@wellsfargo.com](mailto:Brian.L.Goins@wellsfargo.com)  
[erik.bresnahan@wellsfargo.com](mailto:erik.bresnahan@wellsfargo.com)  
[wfpublicpowerteam@wellsfargo.com](mailto:wfpublicpowerteam@wellsfargo.com)

(c) if to the Bank, with respect to all matters:

Wells Fargo Commercial Banking  
333 Market St., 17th Floor  
San Francisco, CA 94105  
MAC: A0101-093  
Attention: Jason Pollack  
Telephone: (628) 260-3395  
Email: jason.pollack@wellsfargo.com

With a copy to:

Attention: Andrea Boquet  
Telephone: (213) 253-7212  
Email: andrea.boquet@wellsfargo.com

or, as to each Person named above, at such other address as shall be designated by such Person in a written notice to the parties hereto. All such notices and other communications shall, when delivered, sent by facsimile transmission or mailed, be effective when deposited with the courier, sent by facsimile transmission or mailed respectively, addressed as aforesaid, except that Notices of Borrowings submitted to the Bank shall not be effective until received by the Bank.

*Section 7.3. Survival of Covenants; Successors and Assigns.* (a) All covenants, agreements, representations, and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Loan and Term Loan hereunder and shall continue in full force and effect until the Commitment and this Agreement shall have terminated and all of the Obligations hereunder shall have been paid in full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last sentence of this Section, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of SMUD which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Bank and the Noteholders, and their respective permitted successors, transferees and assigns as set forth herein. SMUD may not transfer its rights or obligations under this Agreement without the prior written consent of the Bank. Except as otherwise expressly permitted by this Section 7.3 and Section 7.18 hereof, neither the Bank nor any Noteholder may transfer its rights or obligations under this Agreement, the Taxable Note or the Tax-Exempt Note without the prior written consent of SMUD. This Agreement is made solely for the benefit of SMUD and the Bank, and no other Person shall have any right, benefit or interest under or because of the existence of this Agreement.

(b) Notwithstanding the foregoing, the Bank and each Noteholder shall be permitted to grant to one or more financial institutions (each a “*Participant*”) a participation or participations in all or any part of the Bank’s or such Noteholder’s rights and benefits and obligations under this Agreement, the Revolving Notes and the Commitment on a participating basis but not as a party to this Agreement (a “*Participation*”) without the consent of SMUD. In the event of any such grant by the Bank or a Noteholder of a Participation to a Participant, the Bank and such Noteholder shall remain responsible for the performance of its obligations hereunder, and SMUD shall continue to deal solely and directly with the Bank in connection with the Bank’s rights and

obligations under this Agreement. SMUD agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement as if such Participant were the Bank or such Noteholder, *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Section 6.1 hereof; *provided further* that SMUD's liability to any Participant shall not in any event exceed that liability which SMUD would owe to the Bank but for such participation.

(c) *Noteholders Generally.* (i) Each Noteholder may, in its sole discretion and in accordance with applicable law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Revolving Notes and the Program Documents in accordance with the provisions of paragraph (ii) or (iii) of this subsection (c). Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (b) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of Section 7.18 hereof. Wells Fargo Bank, National Association shall be the Bank hereunder until such time as the Majority Noteholder designates an alternate Person to serve as the Bank hereunder by delivery of written notice to SMUD and such Person accepts and agrees to act as the Bank hereunder and under the Program Documents. The Majority Noteholder may so designate an alternate Person that is an owner of the Revolving Notes to act as the Bank from time to time. Upon acceptance and notification thereof to SMUD, the successor to the Bank for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Bank, and Wells Fargo Bank, National Association or any other Person being replaced as the Bank shall be discharged from its duties and obligations as the Bank hereunder. Notwithstanding anything to the contrary set forth herein, neither Wells Fargo Bank, National Association nor any other Bank may assign its obligations to advance or make Loans or Term Loans pursuant to the terms of this Agreement without the prior written consent of SMUD (such consent not to be unreasonably withheld) and SMUD's liability to any successor Bank or to any Noteholder shall not in any event exceed that liability which SMUD would have owed to Wells Fargo Bank, National Association but for any such assignment, sale or transfer, in whole or in part, of this Agreement, its interest in the Revolving Notes or the Program Documents. In addition, if the Bank makes any Loan or Term Loan hereunder, the Bank has no present intent to assign or sell any such Loan or Term Loan and all or any portion of the Revolving Notes relating thereto.

(ii) *Sales and Transfers by Noteholder to a Bank Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Revolving Notes to a Person that is (A) a Bank Affiliate or (B) a trust or other custodial arrangement established by the Bank or a Bank Affiliate, the owners of any beneficial interest in which are limited to "qualified institutional buyers" as defined in Rule 144A promulgated under the 1933 Act (each, a "Bank Transferee"). From and after the date of such sale or transfer, Wells Fargo Bank, National Association (and its successors) shall continue to have all of the rights of the Bank hereunder and under the other Program Documents as if no such transfer or sale had occurred; *provided, however*, that (x) no such sale or transfer referred to in clause (ii)(A) or (ii)(B) hereof shall in any way affect the obligations of the Bank hereunder, (y) SMUD shall be required to deal only with the Bank with respect to any matters under this Agreement and (z) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii)

hereof, only the Bank shall be entitled to enforce the provisions of this Agreement against SMUD.

(iii) *Sales and Transfers by Noteholder to a Non-Bank Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees which are not Bank Transferees but each of which constitutes (A) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (B) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (iii), of not less than \$5,000,000,000 (each a “Non-Bank Transferee”) all or a portion of the Revolving Notes if (1) written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to SMUD and the Bank (if different than the Noteholder) by such selling Noteholder and Non-Bank Transferee and (2) the Non-Bank Transferee shall have delivered to SMUD and the selling Noteholder, an investment letter in substantially the form delivered by the Bank on the Closing Date (the “Investor Letter”).

From and after the date SMUD and the selling Noteholder have received written notice and an executed Investor Letter for such Non-Bank Transferee, (A) the Non-Bank Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder hereunder and under the other Program Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Bank Transferee, and any reference to the assigning Noteholder hereunder and under the other Program Documents shall thereafter refer to such transferring Noteholder and to the Non-Bank Transferee to the extent of their respective interests, and (B) if the transferring Noteholder no longer owns any Revolving Notes, then it shall relinquish its rights and be released from its obligations hereunder and under the Program Documents.

*Section 7.4. Unconditional Obligations.* The obligations of SMUD under this Agreement and the Fee Agreement shall be primary, absolute, independent, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement and the Fee Agreement, including without limitation the following circumstances:

(a) Any lack of validity or enforceability of the Program Documents or any other agreement or instrument relating to any of the above;

(b) Any amendment or waiver of, or any consent to or departure from, any provision of any of the Program Documents, except for any waiver or consent granted by the Bank;

(c) The existence of any claim, setoff, defense or other rights that SMUD may have at any time against the Bank or any other Person, whether in connection with this Agreement, the Program Documents or any unrelated transaction;

(d) Any breach of contract or other dispute between SMUD and any Noteholder, the Bank or any other Person;

(e) Any demand, statement or any other document presented hereunder proving to have been forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(f) Payment by the Bank hereunder against presentation of a draft or certificate which does not comply strictly with the terms of this Agreement; or

(h) The failure by the Bank to honor any Notice of Borrowing hereunder or to make any payment demanded hereunder on the grounds that the demand for such payment does not conform strictly to the terms and conditions of this Agreement.

*Section 7.5. Liability of Bank; Indemnification.* (a)(i) Except as provided in this Agreement, the Bank shall not be obligated to issue any further credits, to cure any defaults under any Program Document or otherwise, or in any other manner to extend any financial consideration or accommodation to SMUD.

(ii) The Bank shall not be deemed to have waived or released any of its rights or remedies (whether specified in or arising under this Agreement, the Fee Agreement or otherwise available to it by law or agreement) unless the Bank shall have signed a written waiver or release. Delay or failure to act on the Bank's part shall not constitute a waiver of or otherwise preclude enforcement of any of their rights and remedies. All of the Bank's rights and remedies shall be cumulative and may be exercised separately or concurrently. The Bank need not resort to any particular right or remedy before exercising or enforcing any other, and the Bank's resort to any right or remedy shall not preclude the exercise or enforcement of any other right or remedy.

(iii) Neither the Bank nor any of its officers, directors, employees or agents shall be liable or responsible for:

(A) The use that may be made of the Commitment or the Loans or Term Loans;

(B) The form, validity, sufficiency, accuracy or genuineness of documents, or of any endorsements thereon, even if such documents should prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged, so long as the Bank was not grossly negligent or guilty of willful misconduct as determined by a court of competent jurisdiction;

(C) Payment by the Bank against presentation of documents that do not comply strictly with the terms of this Agreement, including failure of any documents to bear any reference or adequate reference to this Agreement;

(D) The validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign this Agreement or the rights or benefits thereunder or

proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;

(E) Errors, omissions, interruptions or delays in transmission or delivery of any messages by telex, mail, cable, telegraph, facsimile or otherwise, whether or not they have been in cipher, including any Notices of Borrowing under this Agreement;

(F) Errors in interpretation of technical terms; or

(G) Any consequences arising from causes beyond the control of the Bank, including, without limitation, any Government Acts;

*provided* that, notwithstanding anything in the preceding clauses (A) through (G) to the contrary, SMUD shall have a claim against the Bank, and the Bank shall be liable to SMUD, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by SMUD that SMUD proves were caused by (A) the Bank's failure to pay under this Agreement after the presentation to it by SMUD of a certificate strictly complying with the terms and conditions of this Agreement or (B) the Bank's willful or grossly negligent payment under this Agreement as determined by a court of competent jurisdiction in a final non-appealable judgment.

In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(b) (i) To the maximum extent permitted by applicable law, SMUD agrees to indemnify, save and hold harmless each Bank-Related Person from and against: (A) any and all claims, demands, actions or causes of action that may at any time (including at any time following repayment of the Obligations) be asserted or imposed against any Bank-Related Person arising out of or relating to this Agreement, the Loans and Term Loans, the Letters of Credit, the Fee Agreement or any Program Document, the use or contemplated use of the proceeds of any Loan or Term Loan or Letter of Credit (including any refusal by the Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), or the relationship of SMUD and the Bank under this Agreement or any Program Document; (B) any investigative, administrative or judicial proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (A) above; and (C) any and all liabilities (including liabilities under indemnities), losses, costs or expenses (including attorney costs) that any Bank-Related Person suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, and whether or not a Bank-Related Person is a party to such claim, demand, action, cause of action or proceeding; *provided* that no Bank-Related Person shall be entitled to indemnification for any claim caused by its own gross negligence or willful misconduct. The agreements in this subsection shall survive the termination of this Agreement and repayment of all of the Obligations.

(ii) To the maximum extent permitted by applicable law, SMUD shall also indemnify and hold harmless the Bank from any transfer taxes, documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement and the Program Documents or the making available of the Commitment. The agreements in this subsection shall survive the termination of this Agreement and repayment of all of the Obligations.

*Section 7.6. Expenses.* SMUD will promptly pay (i) the reasonable fees and expenses of counsel to the Bank incurred in connection with the preparation, execution and delivery of this Agreement and the other Program Documents, (ii) the reasonable out-of-pocket expenses of the Bank incurred in connection with the preparation, execution and delivery of this Agreement and the other Program Documents, (iii) the reasonable fees and disbursements of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement after the occurrence of an Event of Default and (iv) all reasonable costs and expenses, if any, in connection with the administration and enforcement of this Agreement and the Program Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Bank. In addition, SMUD agrees to pay, after the occurrence of an Event of Default, all reasonable costs and expenses (including attorneys' and consultants' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from SMUD hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings. The obligations of SMUD under this Section 7.6 shall survive the termination of this Agreement.

*Section 7.7. No Waiver; Conflict.* No failure by the Bank to exercise, and no delay by the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Program Document are cumulative, and not exclusive of any rights, remedies, powers and privileges provided by law.

*Section 7.8. Modification, Amendment, Waiver, Etc.* No modification, amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed in accordance with Section 7.1 hereof.

*Section 7.9. Dealing with SMUD.* The Bank and its affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with SMUD regardless of the capacity of the Bank hereunder.

*Section 7.10. Severability.* Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

*Section 7.11. Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

*Section 7.12. Table of Contents; Headings.* The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

**SECTION 7.13. ENTIRE AGREEMENT.** THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO AS TO SUCH SUBJECT MATTER.

*Section 7.14. Governing Law.* PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW (OR ANY SUCCESSOR STATUTE THERETO), THIS AGREEMENT AND THE FEE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW; PROVIDED, HOWEVER, THAT THE CAPACITY, POWER AND AUTHORITY OF SMUD TO ENTER INTO THIS AGREEMENT AND THE OBLIGATIONS OF SMUD HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW WITHOUT REGARD TO CHOICE OF LAW RULES.

*Section 7.15. Waiver of Jury Trial.* (a) TO THE FULL EXTENT PERMITTED BY LAW, SMUD AND THE BANK EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY FOR ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE FEE AGREEMENT, ANY OF THE OTHER PROGRAM DOCUMENTS, THE MASTER BOND RESOLUTION, THE SUBORDINATED BOND RESOLUTION OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH OF SMUD AND THE BANK FURTHER AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY. WITHOUT LIMITING THE FOREGOING, TO THE EXTENT PERMITTED BY LAW, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A

TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, THE FEE AGREEMENT, AND/OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND/OR THE FEE AGREEMENT.

(b) In the event the waiver of jury trial as set forth in subsection (a) of this Section shall be declared void or unenforceable, each of SMUD and the Bank agrees to refer the dispute to a judicial referee in accordance with the provisions of Section 638 *et seq.* of the California Code of Civil Procedure.

*Section 7.16. Right of Setoff; Other Collateral.* (a) Upon the occurrence and during the continuance of an Event of Default, the Bank is hereby authorized at any time and from time to time without notice to SMUD (any such notice being expressly waived by SMUD), and to the fullest extent permitted by law, to setoff, to exercise any banker's lien or any right of attachment and apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies at any time held and other indebtedness at any time owing by the Bank to or for the account of SMUD (irrespective of the currency in which such accounts, monies or indebtedness may be denominated and the Bank is authorized to convert such accounts, monies and indebtedness into United States dollars) against any and all of the Obligations of SMUD, whether or not the Bank shall have made any demand for any amount owing to the Bank by SMUD; *provided, however,* that any such setoff, exercise of banker's lien or any right of attachment shall be limited to (i) balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies or (ii) indebtedness owed by the Bank to or for the account of SMUD, the proceeds of which would otherwise be available to pay or satisfy or otherwise secure the Revolving Notes, the Obligations or any other indebtedness or obligations of SMUD secured or payable on a parity with or subordinate to the Lien on Net Revenues securing the Revolving Notes and the Obligations; and *provided further, however,* that the exercise of any such setoff, banker's lien or right of attachment and the application of any such balances, credits, deposits, accounts, monies or proceeds of indebtedness that would constitute Revenues or other funds pledged pursuant to the Master Bond Resolution, Subordinated Bond Resolution or Note Resolution shall be subject to the terms, conditions and lien and payment priorities set forth in the Master Bond Resolution, the Subordinated Bond Resolution and the Note Resolution.

(b) The rights of the Bank under this Section 7.16 are in addition to, in augmentation of, and, except as specifically provided in this Section 7.16, do not derogate from or impair, other rights and remedies (including, without limitation, other rights of setoff) which the Bank may have hereunder or under the other Program Documents.

*Section 7.17. USA Patriot Act.* The Bank hereby notifies SMUD that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 signed into law October 26, 2001) (the "Patriot Act"), it is required to obtain, verify and record information that identifies SMUD, which information includes the name and address of SMUD and other information that will allow the Bank to identify SMUD in accordance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act. SMUD hereby agrees that it shall promptly provide such information upon request by the Bank.

*Section 7.18. Assignment to Federal Reserve Bank.* The Bank and each other Noteholder may assign and pledge all or any portion of the Obligations owing to it to any Federal Reserve Bank or the United States Treasury, including, without limitation, as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits; *provided* that any payment in respect of such assigned Obligations made by SMUD or on its behalf to the Bank in accordance with the terms of this Agreement shall satisfy SMUD's Obligations hereunder in respect of such assigned Obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

*Section 7.19. No Advisory or Fiduciary Relationship.* In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Program Document), SMUD acknowledges and agrees that: (a) (i) the services regarding this Agreement provided by the Bank and any Affiliate thereof are arm's-length commercial transactions between SMUD, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) SMUD has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) SMUD is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Program Documents; (b) (i) the Bank and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary pursuant to Section 15B of the Securities Exchange Act of 1934 or otherwise, for SMUD or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to SMUD with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Program Documents; and (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of SMUD, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to SMUD. To the fullest extent permitted by Law, SMUD hereby waives and releases any claims that it may have against the Bank or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

*Section 7.20. EMMA Postings.* In the event SMUD files with EMMA, this Agreement, any Program Documents or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms with respect thereto, either voluntarily or as required pursuant a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule") (each such posting, an "EMMA Posting"), SMUD shall (i) provide the Bank with a copy of each EMMA Posting prior to submitting or posting on EMMA and (ii) shall not file or permit the filing of any EMMA Posting that includes Confidential Information. SMUD acknowledges and agrees that although the Bank may request or review edits or redactions of such materials prior to filing, the Bank is not responsible for SMUD's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with

any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule.

## ARTICLE EIGHT

### LETTER OF CREDIT FACILITY

#### *Section 8.1. L/C Facility.*

(a) *Availability.* Subject to the terms and conditions hereof, the Bank agrees to issue performance Letters of Credit in an aggregate amount not to exceed the L/C Sublimit for the account of SMUD. Letters of Credit may be issued on any Business Day from the First Amendment Effective Date to, but not including the fifteenth (15<sup>th</sup>) Business Day prior to the Facility Maturity Date in such form as may be approved from time to time by the Bank; *provided*, that the Bank shall not issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Sublimit or (ii) the outstanding Extensions of Credit would exceed the Commitment. Letters of Credit issued hereunder shall constitute utilization of the Commitment.

(b) *Terms of Letters of Credit.* Each Letter of Credit shall (i) be denominated in Dollars in a minimum amount of \$1,000,000 (or such lesser amount as agreed to by the Bank), (ii) expire on a date no more than twelve (12) months after the date of issuance or last renewal or extension of such Letter of Credit (subject to automatic renewal or extension for additional one (1) year periods (but not to a date later than the date set forth below) pursuant to the terms of the Letter of Credit Documents or other documentation acceptable to the Bank), which date shall be no later than the fifth (5th) Business Day prior to the Facility Maturity Date; *provided* that any Letter of Credit may expire after such date (each such Letter of Credit, an “*Extended Letter of Credit*”) with the consent of the Bank and subject to the requirements of Section 8.11, and (iii) unless otherwise expressly agreed by the Bank and SMUD when a Letter of Credit is issued by it, be subject to the ISP as set forth in the Letter of Credit Documents or as determined by the Bank and, to the extent not inconsistent therewith, the laws of the State of New York. The Bank shall not at any time be obligated to issue any Letter of Credit hereunder if (A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Bank from issuing such Letter of Credit, or any Law applicable to the Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Bank shall prohibit, or request that the Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Bank with respect to letters of credit generally or such Letter of Credit in particular any restriction or reserve or capital requirement (for which the Bank is not otherwise compensated) not in effect on the First Amendment Effective Date, or any unreimbursed loss, cost or expense that was not applicable, in effect or known to the Bank as of the First Amendment Effective Date and that the Bank in good faith deems material to it, (B) the conditions set forth in Section 3.2 are not satisfied, (C) the issuance of such Letter of Credit would violate one or more policies of the Bank applicable to letters of credit generally, or (D) the proceeds of which would be made available to any Person (x) to fund any activity or business of or with any Sanctioned Person, or in any Sanctioned Country or (y) in any manner that would result in a violation of any Sanctions by any party to this

Agreement. References herein to “issue” and derivations thereof with respect to Letters of Credit shall also include extensions or modifications of any outstanding Letters of Credit, unless the context otherwise requires.

*Section 8.2. Procedure for Issuance of Letters of Credit.* SMUD may from time to time request that the Bank issue, amend, renew or extend a Letter of Credit by delivering to the Bank at its applicable office a Letter of Credit Application therefor, completed to the satisfaction of the Bank, and such other certificates, documents and other Letter of Credit Documents and information as the Bank may request, not later than 11:00 a.m. (Pacific time) at least seven (7) Business Days (or such later date and time as the Bank may agree in its sole discretion) prior to the proposed date of issuance, amendment, renewal or extension, as the case may be. Such notice shall specify (a) the requested date of issuance, amendment, renewal or extension (which shall be a Business Day), (b) the date on which such Letter of Credit is to expire (which shall comply with Section 8.1(b)), (c) the amount of such Letter of Credit, (d) the name and address of the beneficiary thereof, (e) the purpose and nature of such Letter of Credit and (f) such other information as shall be necessary to issue, amend, renew or extend such Letter of Credit. Upon receipt of any Letter of Credit Application, the Bank shall, process such Letter of Credit Application and the certificates, documents and other Letter of Credit Documents and information delivered to it in connection therewith in accordance with its customary procedures and shall, subject to Section 8.1 and Article Three, promptly issue, amend, renew or extend the Letter of Credit requested thereby (subject to the timing requirements set forth in this Section 8.2) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by the Bank and SMUD. Additionally, SMUD shall furnish to the Bank such other documents and information pertaining to such requested Letter of Credit issuance or amendment, renewal or extension, including any Letter of Credit Documents, as the Bank may require. The Bank shall promptly furnish to SMUD a copy of such Letter of Credit and the related Letter of Credit Documents.

*Section 8.3. Commissions and Other Charges.*

(a) *Letter of Credit Commissions.* SMUD shall pay to the Bank a letter of credit commission with respect to each Letter of Credit in the amount equal to the daily amount available to be drawn under such performance Letters of Credit times the L/C Fee Rate (determined, in each case, on a per annum basis). Such commission shall be payable quarterly in arrears on the tenth (10th) calendar day of each July, October, January and April (commencing with the first such date to occur after the issuance of such Letter of Credit), on the Facility Maturity Date and thereafter on demand of the Bank.

(b) *Issuance Fee.* In addition to the foregoing commission, SMUD shall pay directly to the Bank, for its own account, an issuance fee with respect to each Letter of Credit issued by the Bank in an amount equal to \$500 or as otherwise agreed upon between the Bank and SMUD. Such issuance fee shall be payable immediately upon the issuance of such Letter of Credit and thereafter on demand of the Bank.

(c) *Other Fees, Costs, Charges and Expenses.* In addition to the foregoing fees and commissions, SMUD shall pay or reimburse the Bank for such normal and customary fees, costs, charges and expenses (including fronting fees) as are incurred or charged by the Bank in issuing,

effecting payment under, amending or otherwise administering any Letter of Credit issued by it. Such customary fees, costs, charges and expenses are due and payable on demand and are nonrefundable.

*Section 8.4. Reserved.*

*Section 8.5. Reimbursement.* In the event of any drawing under any Letter of Credit, SMUD agrees to reimburse (either with the proceeds of a Loan as provided for in this Section or with funds from other sources), in same day funds, the Bank by paying to the Bank the amount of such drawing not later than 12:00 noon (Pacific time) on (i) the Business Day that SMUD receives notice of such drawing, if such notice is received by SMUD prior to 10:00 a.m. (Pacific time), or (ii) the Business Day immediately following the day that SMUD receives such notice, if such notice is not received prior to such time, for the amount of (x) such draft so paid and (y) any amounts referred to in Section 8.3(c) incurred by the Bank in connection with such payment. Unless SMUD shall immediately notify the Bank that SMUD intends to reimburse the Bank for such drawing from other sources or funds, SMUD shall be deemed to have timely given a Notice of Borrowing to the Bank requesting that the Bank make a Loan at the Taxable Daily SOFR Rate on the applicable repayment date in the amount (without regard to the minimum and multiples specified in Section 2.2) of (i) such draft so paid and (ii) any amounts referred to in Section 8.3(c) incurred by the Bank in connection with such payment, and the Bank shall make a Loan as a Loan at the Taxable Daily SOFR Rate in such amount, the proceeds of which shall be applied to reimburse the Bank for the amount of the related drawing and such fees and expenses. The Bank acknowledges and agrees that its obligation to fund a Loan in accordance with this Section to reimburse the Bank for any draft paid under a Letter of Credit issued by it is absolute and unconditional and shall not be affected by any circumstance whatsoever, including non-satisfaction of the conditions set forth in Section 2.2 or Article Three. If SMUD has elected to pay the amount of such drawing with funds from other sources and shall fail to reimburse the Bank as provided above, or if the amount of such drawing is not fully refunded through a Loan at the Taxable Daily SOFR Rate as provided above, the unreimbursed amount of such drawing shall bear interest at the rate which would be payable on any outstanding Loan at the Taxable Daily SOFR Rate which were then overdue from the date such amounts become payable (whether at stated maturity, by acceleration or otherwise) until paid in full.

*Section 8.6. Obligations Absolute.*

(a) SMUD's obligations under this Article Eight (including the Reimbursement Obligation) shall be absolute, unconditional and irrevocable under any and all circumstances whatsoever, and shall be performed strictly in accordance with the terms of this Agreement, and irrespective of:

- (i) any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Document or this Agreement, or any term or provision therein or herein;
- (ii) the existence of any claim, counterclaim, setoff, defense or other right that SMUD may have or have had against the Bank or any beneficiary of a Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Bank

or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent, forged or insufficient in any respect or any statement in such draft or other document being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by the Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit; or

(v) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, SMUD's obligations hereunder.

(b) The Bank shall use commercially reasonable efforts to notify SMUD of any drawings under any Letter of Credit. SMUD also agrees that the Bank shall not be responsible for, and SMUD's Reimbursement Obligation under Section 8.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among SMUD and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of SMUD against any beneficiary of such Letter of Credit or any such transferee. The Bank and the Bank-Related Persons shall not have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit, or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Bank; *provided* that the foregoing shall not be construed to excuse the Bank from liability to SMUD to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by SMUD to the extent permitted by Law) suffered by SMUD that are caused by the Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Bank (as finally determined by a court of competent jurisdiction), the Bank shall be deemed to have exercised care in each such determination.

(c) In furtherance of the foregoing and without limiting the generality thereof, the parties agree that (i) with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of

Credit, (ii) the Bank may act upon any instruction or request relative to a Letter of Credit or requested Letter of Credit that the Bank in good faith believes to have been given by a Person authorized to give such instruction or request and (iii) the Bank may replace a purportedly lost, stolen, or destroyed original Letter of Credit or missing amendment thereto with a certified true copy marked as such or waive a requirement for its presentation. The responsibility of the Bank to SMUD in connection with any draft presented for payment under any Letter of Credit issued by it shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment substantially conforms to the requirements under such Letter of Credit.

(d) Notwithstanding anything in this Section 8.6 to the contrary, the provisions set forth in this Section 8.6 shall not by themselves relieve the Bank of liability for damages to SMUD for gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment.

*Section 8.7. Effect of Letter of Credit Documents.* To the extent that any provision of any Letter of Credit Document related to any Letter of Credit is inconsistent with the provisions of this Article Eight, the provisions of this Article Eight shall apply.

*Section 8.8. Reserved.*

*Section 8.9. Reserved.*

*Section 8.10. Letter of Credit Amounts.* Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the maximum face amount of such Letter of Credit after giving effect to all increases thereof contemplated by such Letter of Credit or the Letter of Credit Documents therefor (at the time specified therefor in such applicable Letter of Credit or Letter of Credit Documents and as such amount may be reduced by (a) any permanent reduction of such Letter of Credit or (b) any amount which is drawn, reimbursed and no longer available under such Letter of Credit).

*Section 8.11. Cash Collateral for Extended Letters of Credit.*

(a) *Cash Collateralization.* SMUD shall provide Cash Collateral to the Bank with respect to each Extended Letter of Credit issued by the Bank (in an amount equal to 105% of the maximum face amount of each Extended Letter of Credit) by a date that is no later than 5 days prior to the Facility Maturity Date by depositing such amount in immediately available funds, in Dollars, into a cash collateral account maintained at the Bank and shall enter into a cash collateral agreement in form and substance satisfactory to the Bank and such other documentation as the Bank may reasonably request; *provided* that if SMUD fails to provide Cash Collateral with respect to any such Extended Letter of Credit by such time, such event shall be treated as a drawing under such Extended Letter of Credit in an amount equal to 105% of the maximum face amount of each such Letter of Credit, which shall be reimbursed (or participations therein funded) in accordance with this Article Eight, with the proceeds of Loans being utilized to provide Cash Collateral for such Letter of Credit (provided that for purposes of determining the usage of the Commitment any

such Extended Letter of Credit that has been, or will concurrently be, Cash Collateralized with proceeds of a Loan, the portion of such Extended Letter of Credit that has been (or will concurrently be) so Cash Collateralized will not be deemed to be utilization of the Commitment); *provided further* that no Cash Collateral will be required if the Extended Letter of Credit is cancelled or returned before the date that is 5 days prior to the Facility Maturity Date.

(b) *Grant of Security Interest.* SMUD hereby grants to the Bank, and agrees to maintain, a first priority security interest in, all Cash Collateral required to be provided by this Section 8.11 as security for the Bank's obligation to fund draws under such Extended Letters of Credit, to be applied pursuant to subsection (c) below. If at any time the Bank determines that the Cash Collateral is subject to any right or claim of any Person other than the Bank as herein provided or that the total amount of such Cash Collateral is less than the amount required pursuant to subsection (a) above, SMUD will, promptly upon demand by the Bank, pay or provide to the Bank additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) *Application.* Notwithstanding anything to the contrary contained in this Agreement or any other Program Document, Cash Collateral provided under this Section 8.11 in respect of Extended Letters of Credit shall be applied to reimburse the Bank for all drawings made under such Extended Letters of Credit and any and all fees, expenses and charges incurred in connection therewith, prior to any other application of such property as may otherwise be provided for herein.

(d) *Cash Collateralized Letters of Credit.* Subject to clause (e) below, if SMUD has fully Cash Collateralized the Bank with respect to any Extended Letter of Credit issued by the Bank in accordance with subsections (a) through (c) above and SMUD and the Bank have made arrangements between them with respect to the pricing and fees associated therewith (each such Extended Letter of Credit, a "*Cash Collateralized Letter of Credit*"), then for so long as such Cash Collateral remains in place (i) such Cash Collateralized Letter of Credit shall cease to be a "Letter of Credit" hereunder, (ii) such Cash Collateralized Letter of Credit shall not constitute utilization of the Commitment, (iii) the Bank shall have no further obligation to fund Loans to reimburse any drawing under any such Cash Collateralized Letter of Credit, (iv) no Letter of Credit commissions under Section 8.3(a) shall be due or payable to the Bank hereunder with respect to such Cash Collateralized Letter of Credit, and (v) any fronting fee, issuance fee or other fee with respect to such Cash Collateralized Letter of Credit shall be as agreed separately between SMUD and the Bank.

(e) *Reinstatement.* SMUD and the Bank agree that, if any payment or deposit made by SMUD or any other Person applied to the Cash Collateral required under this Section 8.11 is at any time avoided, annulled, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or is repaid in whole or in part pursuant to a good faith settlement of a pending or threatened avoidance claim, or the proceeds of any such Cash Collateral are required to be refunded by the Bank to SMUD or its estate, trustee, receiver or any other Person, under any Law or equitable cause, then, to the extent of such payment or repayment, (i) the applicable Extended Letter of Credit shall automatically be a "Letter of Credit" hereunder in a face amount equal to such payment or repayment (each such Letter of Credit, a "*Reinstated Letter of Credit*"), (ii) such Reinstated Letter of Credit shall no longer be deemed to be Cash Collateralized hereunder and shall constitute a utilization of the Commitment, (iii) the

Bank shall be obligated to fund Loans to reimburse any drawing under such Reinstated Letter of Credit, (iv) Letter of Credit commissions under Section 8.3(a) shall accrue and be due and payable to the Bank with respect to such Reinstated Letter of Credit and (v) SMUD's and the Bank's liability hereunder (and any guaranteee, Lien or collateral guaranteeing or securing such liability) shall be and remain in full force and effect, as fully as if such payment or deposit had never been made, and, if prior thereto, this Agreement shall have been canceled, terminated, paid in full or otherwise extinguished (and if any guaranteee, Lien or collateral guaranteeing or securing SMUD's or the Bank's) liability hereunder shall have been released or terminated by virtue of such cancellation, termination, payment or extinguishment), the provisions of this Article Eight and all other rights and duties of the Bank with respect to such Reinstated Letter of Credit (and any guaranteee, Lien or collateral guaranteeing or securing such liability) shall be reinstated in full force and effect, and such prior cancellation, termination, payment or extinguishment shall not diminish, release, discharge, impair or otherwise affect the obligations of such Persons in respect of such Reinstated Letter of Credit (and any guaranteee, Lien or collateral guaranteeing or securing such obligation).

(f) *Survival.* With respect to any Extended Letter of Credit, each party's obligations under this Article Eight and all other rights and duties of the Bank of such Extended Letter of Credit shall survive any assignment of rights by the Bank, the termination of the Commitment and the repayment, satisfaction or discharge of the Obligations.

[Execution Page Follows]

IN WITNESS WHEREOF, SMUD and the Bank have duly executed this Agreement as of the date first above written.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_

Name: Russell Mills

Title: Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT A

### FORM TAXABLE REVOLVING NOTE

#### SACRAMENTO MUNICIPAL UTILITY DISTRICT TAXABLE REVOLVING NOTE (WELLS FARGO REVOLVING CREDIT AGREEMENT)

February 23, 2022 \$50,000,000

The Sacramento Municipal Utility District ("SMUD"), for value received, hereby promises to pay to the order of Wells Fargo Bank, National Association (the "Bank"), pursuant to that certain Revolving Credit Agreement dated as of February 1, 2022 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "*Revolving Credit Agreement*"), between SMUD and the Bank and that certain Fee Agreement dated February 23, 2022 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "*Fee Agreement*"), between SMUD and the Bank, at the office of the Bank at 333 South Grand Ave, 6th Floor, Los Angeles CA 90071 (or such other address as designated by the Bank to SMUD in writing), the aggregate unpaid principal amount of all Obligations (as defined in the Revolving Credit Agreement), except for the principal of and interest on Tax-Exempt Loans and related Term Loans, pursuant to the Revolving Credit Agreement and the Fee Agreement on the dates and in the amounts provided for in the Revolving Credit Agreement and the Fee Agreement.

SMUD promises to pay interest on the unpaid principal amount of all Taxable Loans, related Term Loans and all other Obligations (except for the principal of and interest on Tax-Exempt Loans and related Term Loans) owed to the Bank under the Revolving Credit Agreement and the Fee Agreement on the dates and at the rate or rates provided for in the Revolving Credit Agreement and the Fee Agreement. All payments of principal and interest shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Revolving Credit Agreement.

This Taxable Revolving Note is the Taxable Note referred to in the Revolving Credit Agreement and is entitled to the benefits thereof and of the Program Documents referred to therein. As provided in the Revolving Credit Agreement, this Taxable Revolving Note is subject to prepayment, in whole or in part, in accordance with the terms of the Revolving Credit Agreement.

The Bank agrees, by acceptance of this Taxable Revolving Note, that it will make a notation on the schedule attached hereto of all Taxable Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid, all as provided in the Revolving Credit Agreement; *provided, however,* that the failure to make any such notation shall not limit or otherwise affect the obligation of SMUD hereunder with respect to payments of principal of and interest on this Taxable Revolving Note.

This Taxable Revolving Note is authorized by SMUD to be issued to provide funds for the purposes set forth in the Note Resolution and for other authorized purposes, including to pay the principal amount of Taxable Loans, related Term Loans and all other Obligations theretofore issued. This Taxable Revolving Note is issued under and pursuant to and in full compliance with the Note Resolution and the Revolving Credit Agreement providing for the issuance and sale and fixing the form and details of this Taxable Revolving Note.

This Taxable Revolving Note is an obligation of SMUD secured by a lien on the Available Revenues as more fully described in Section 2.20 of the Revolving Credit Agreement.

It is hereby certified that all conditions, acts and things essential to the validity of this Taxable Revolving Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, SMUD has caused this Taxable Revolving Note to be executed by an authorized officer of SMUD and this Taxable Revolving Note to be dated as of date set forth above.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
Name: Jennifer Restivo  
Title: Treasurer

**SCHEDULE FOR TAXABLE REVOLVING NOTE**  
**DATED FEBRUARY 23, 2022**  
**BY SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**PAYABLE TO WELLS FARGO BANK, NATIONAL ASSOCIATION**

DATE	AMOUNT OF TAXABLE LOAN MADE	AMOUNT OF PRINCIPAL PAID	DATE TO WHICH INTEREST PAID		NOTATION MADE BY

## EXHIBIT B

### FORM TAX-EXEMPT REVOLVING NOTE

#### SACRAMENTO MUNICIPAL UTILITY DISTRICT TAX-EXEMPT REVOLVING NOTE (WELLS FARGO REVOLVING CREDIT AGREEMENT)

February 23, 2022 \$50,000,000

The Sacramento Municipal Utility District (“SMUD”), for value received, hereby promises to pay to the order of Wells Fargo Bank, National Association (the “Bank”), pursuant to that certain Revolving Credit Agreement dated as of February 1, 2022 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Revolving Credit Agreement*”), between SMUD and the Bank and that certain Fee Agreement dated February 23, 2022 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Fee Agreement*”), between SMUD and the Bank, at the office of the Bank at 333 South Grand Ave, 6th Floor, Los Angeles CA 90071 (or such other address as designated by the Bank to SMUD in writing), the aggregate unpaid principal amount of all Tax-Exempt Loans and related Term Loans (as such terms are defined in the Revolving Credit Agreement) pursuant to the Revolving Credit Agreement and the Fee Agreement on the dates and in the amounts provided for in the Revolving Credit Agreement and the Fee Agreement.

SMUD promises to pay interest on the unpaid principal amount of all Tax-Exempt Loans and related Term Loans owed to the Bank under the Revolving Credit Agreement and the Fee Agreement on the dates and at the rate or rates provided for in the Revolving Credit Agreement and the Fee Agreement. All payments of principal and interest shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Revolving Credit Agreement.

This Tax-Exempt Revolving Note is the Tax-Exempt Note referred to in the Revolving Credit Agreement and is entitled to the benefits thereof and of the Program Documents referred to therein. As provided in the Revolving Credit Agreement, this Tax-Exempt Revolving Note is subject to prepayment, in whole or in part, in accordance with the terms of the Revolving Credit Agreement.

The Bank agrees, by acceptance of this Tax-Exempt Revolving Note, that it will make a notation on the schedule attached hereto of all Tax-Exempt Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid, all as provided in the Revolving Credit Agreement; *provided, however*, that the failure to make any such notation shall not limit or otherwise affect the obligation of SMUD hereunder with respect to payments of principal of and interest on this Tax-Exempt Revolving Note.

This Tax-Exempt Revolving Note is authorized by SMUD to be issued to provide funds for the purposes set forth in the Note Resolution and for other authorized purposes, including to

pay the principal amount of Tax-Exempt Loans and related Term Loans theretofore issued. This Tax-Exempt Revolving Note is issued under and pursuant to and in full compliance with the Note Resolution and the Revolving Credit Agreement providing for the issuance and sale and fixing the form and details of this Tax-Exempt Revolving Note.

This Tax-Exempt Revolving Note is an obligation of SMUD secured by a lien on the Available Revenues as more fully described in Section 2.20 of the Revolving Credit Agreement.

It is hereby certified that all conditions, acts and things essential to the validity of this Tax-Exempt Revolving Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, SMUD has caused this Tax-Exempt Revolving Note to be executed by an authorized officer of SMUD and this Tax-Exempt Revolving Note to be dated as of date set forth above.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
Name: Jennifer Restivo  
Title: Treasurer

**SCHEDULE FOR TAX-EXEMPT REVOLVING NOTE**  
**DATED FEBRUARY 23, 2022**  
**BY SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**PAYABLE TO WELLS FARGO BANK, NATIONAL ASSOCIATION**

DATE	AMOUNT OF TAX-EXEMPT LOAN MADE	AMOUNT OF PRINCIPAL PAID	DATE TO WHICH INTEREST PAID		NOTATION MADE BY

## EXHIBIT C

### FORM OF NOTICE OF BORROWING

[Date]

TO:

Wells Fargo Bank, National Association (the “*Bank*”)  
333 South Grand Ave, 6th Floor  
Los Angeles CA 90071  
MAC E2064-062  
Attention: Tasha Wong Hasan  
Telephone: (213) 271-2455  
Email: jason.pollack@wellsfargo.com  
tasha.wong@wellsfargo.com  
Brian.L.Goins@wellsfargo.com  
erik.bresnahan@wellsfargo.com  
wfpowerpublicteam@wellsfargo.com

with a copy to:

Wells Fargo Municipal Capital Strategies, LLC  
375 Park Avenue  
New York, New York 10152  
Telephone: (212) 214-5512  
Attention: Brian Goins  
E-mail: Brian.L.Goins@wellsfargo.com

FROM: Sacramento Municipal Utility District

Re: Revolving Credit Agreement  
(the “*Credit Agreement*”) dated as of February 1, 2022, between  
Sacramento Municipal Utility District and the Bank

We hereby give notice, pursuant to Section 2.2(a) of the Credit Agreement, of the following proposed Borrowing:

Date of Borrowing ..... [Date]  
Loan Principal Amount..... [\$xx,xxx,xxx]  
Amount of Loans Outstanding..... [\$xxx,xxx,xxx]

The Proceeds of such Loan are to be wire transferred to the following account:

Pay:                   Account Name: SMUD General Account  
                          Bank Name: Bank of America  
                          ABA Number: 026 009 593  
                          Account Number: 01488-80182

The Loan constituting such Borrowing is  
to be a (check applicable box):

Taxable Loan                    Tax-Exempt Loan

**[Attached hereto is an executed copy of the [Tax Certificate/Supplemental Tax Certificate] relating to such Tax-Exempt Loan which includes the related form 8038-G.]**

The rates of interest on the Loan will not exceed the Maximum Interest Rate.

The undersigned hereby acknowledges on and as of the date hereof that submission of this notice shall be deemed to be a representation and warranty by SMUD on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of Section 3.2 of the Credit Agreement and that no Default or Event of Default has occurred and is continuing.

Terms used herein have the meanings assigned to them in the Credit Agreement.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT D

### [FORM OF NOTICE OF CONVERSION]

#### NOTICE OF CONVERSION

Wells Fargo Bank, National Association (the “*Bank*”)

333 South Grand Ave, 6th Floor

Los Angeles CA 90071

MAC E2064-062

Attention: Tasha Wong Hasan

Telephone: (213) 271-2455

Email: [jason.pollack@wellsfargo.com](mailto:jason.pollack@wellsfargo.com)

[tasha.wong@wellsfargo.com](mailto:tasha.wong@wellsfargo.com)

[Brian.L.Goins@wellsfargo.com](mailto:Brian.L.Goins@wellsfargo.com)

[erik.bresnahan@wellsfargo.com](mailto:erik.bresnahan@wellsfargo.com)

[wfpowerpublicteam@wellsfargo.com](mailto:wfpowerpublicteam@wellsfargo.com)

with a copy to:

Wells Fargo Municipal Capital Strategies, LLC

375 Park Avenue

New York, New York 10152

Telephone: (212) 214-5512

Attention: Brian Goins

E-mail: [Brian.L.Goins@wellsfargo.com](mailto:Brian.L.Goins@wellsfargo.com)

Re: Sacramento Municipal Utility District

Ladies and Gentlemen:

The undersigned, an Authorized SMUD Representative, refers to the Revolving Credit Agreement, dated as of February 1, 2022 (together with any amendments or supplements thereto, the “*Agreement*”), between Sacramento Municipal Utility District and the Bank (the terms defined therein being used herein as therein defined) and hereby gives Bank notice irrevocably, pursuant to Section 2.2(a)(ii) of the Agreement, of the conversion of the Loan(s) specified herein, that:

1. The Business Day of the proposed conversion is \_\_\_\_\_, 20\_\_\_\_ (the “*Conversion Date*”), which is at least two (2) U.S. Government Securities Business Days following the date hereof.
2. The aggregate amount of the Loan(s) to be converted is \$\_\_\_\_\_.
3. The Loan(s) is/are Tax-Exempt Loan(s) to be converted into a Taxable Loan(s).

4. The principal amount of the Loans to be outstanding following the conversion will not exceed the Commitment as of the Conversion Date set forth in 1 above.

The undersigned hereby acknowledges on and as of the date hereof that submission of this notice shall be deemed to be a representation and warranty by SMUD on the Conversion Date as to the facts specified in clauses (b), (c) and (d) of Section 3.2 of the Credit Agreement and that no Default or Event of Default has occurred and is continuing.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Conversion as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT E**

**FORM OF**  
**REQUEST FOR EXTENDED FUNDED PERIOD**

[DATE]

To:

Wells Fargo Bank, National Association (the “*Bank*”)  
333 South Grand Ave, 6th Floor  
Los Angeles CA 90071  
MAC E2064-062  
Attention: Tasha Wong Hasan  
Telephone: (213) 271-2455  
Email: jason.pollack@wellsfargo.com  
tasha.wong@wellsfargo.com  
Brian.L.Goins@wellsfargo.com  
erik.bresnahan@wellsfargo.com  
wfpowerpublicteam@wellsfargo.com

with a copy to:

Wells Fargo Municipal Capital Strategies, LLC  
375 Park Avenue  
New York, New York 10152  
Telephone: (212) 214-5512  
Attention: Brian Goins  
E-mail: Brian.L.Goins@wellsfargo.com

Ladies and Gentlemen:

The undersigned, Sacramento Municipal Utility District (“*SMUD*”), hereby refers to the Revolving Credit Agreement dated as of February 1, 2022, as amended, modified, supplemented or restated from time to time (the “*Credit Agreement*”), between SMUD and Wells Fargo Bank, National Association (the “*Bank*”). All capitalized terms contained herein which are not specifically defined shall have the meanings assigned to such terms in the Credit Agreement.

SMUD hereby requests, pursuant to Section 2.22 of the Credit Agreement, that the Term Loans be payable as provided in Section 2.22 of the Credit Agreement with interest as provided in Section 2.22 of the Credit Agreement.

In connection with such request, SMUD hereby represents and warrants that:

(a) no Credit Default or Credit Event of Default shall have occurred and be continuing on the date hereof and no Credit Default or Credit Event of Default will have occurred and be continuing on the Facility Maturity Date,

(b) (1) there has been no material adverse change in SMUD's business, assets, liabilities, financial condition, results of operations or business prospects which could reasonably be expected to result in a material adverse effect on SMUD's ability to perform its obligations under this Agreement and the Program Documents or the rights, security or interests of the Bank hereunder and under the Program Documents and (2) no event described in clause (b) of the definition of Material Adverse Change shall have occurred and be continuing on the date hereof and no event described in clause (b) of the definition of Material Adverse Change will have occurred on the Facility Maturity Date.

We have enclosed along with this request the following information:

1. The nature of any and all Defaults and Events of Default; and
2. Any other pertinent information previously requested by the Bank.

Very truly yours,

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Draft Amended and Restated Fee Agreement  
(Wells Fargo Bank, National Association)**

**FEE AGREEMENT**  
**DATED [      ], 2026**

Reference is hereby made to (i) that certain Revolving Credit Agreement dated as of February 1, 2022 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Agreement*”), between the SACRAMENTO MUNICIPAL UTILITY DISTRICT, a municipal utility district of the State of California (“SMUD”), and WELLS FARGO BANK, NATIONAL ASSOCIATION (the “*Bank*”), relating to the Sacramento Municipal Utility District, Taxable Revolving Note (Wells Fargo Revolving Credit Agreement) and Tax-Exempt Revolving Note (Wells Fargo Revolving Credit Agreement), and (ii) the Fee Agreement dated as of February 23, 2022 (the “*Original Fee Agreement*”), between SMUD and the Bank. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

SMUD has requested that the Bank make certain modifications to the Original Fee Agreement, and, for the sake of clarity and convenience, the Bank and SMUD wish to amend and restate the Original Fee Agreement in its entirety, and this Amended and Restated Fee Agreement (this “*Fee Agreement*”) shall amend and restate the Original Fee Agreement in its entirety. The purpose of this Fee Agreement is to confirm the agreement between the Bank and SMUD with respect to, among other things, the Commitment Fees (as defined below), the Taxable Applicable Spread and Tax-Exempt Applicable Spread and the L/C Fee Rate and certain other fees payable to the Bank. This Fee Agreement is the Fee Agreement referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement. SMUD acknowledges and agrees that all fees previously paid to the Bank under the Original Fee Agreement were fully earned and nonrefundable. This Fee Agreement and the Agreement are to be construed as one agreement between SMUD and the Bank, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Agreement.

**ARTICLE I. FEES AND OTHER AGREEMENTS.**

*Section 1.1. Commitment Fees.* SMUD hereby agrees to pay to the Bank quarterly in arrears on the tenth (10th) calendar day of each July, October, January and April (each, a “*Quarterly Payment Date*”) occurring prior to the Termination Date, and on the Termination Date, a non-refundable commitment fee (the “*Commitment Fee*”) in an amount equal to the rate per annum based upon the applicable Level corresponding to the then applicable Rating (as defined below) for each day during the related fee period, as specified below (the “*Commitment Fee Rate*”), on the Unutilized Commitment from time to time in effect for each day during each related period:

(i) For the period commencing on February 23, 2022, through but not including [      ], 2026, the Commitment Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	COMMITMENT FEE RATE
Level 1	Aa3 or above	AA- or above	AA- or above	0.175%
Level 2	A1	A+	A+	0.225%
Level 3	A2	A	A	0.275%
Level 4	A3	A-	A-	0.325%
Level 5	Baa1	BBB+	BBB+	0.475%
Level 6	Baa2	BBB	BBB	0.725%
Level 7	Baa3	BBB-	BBB-	1.075%

(ii) For the period commencing on [\_\_\_\_], 2026, and at all times thereafter, the Commitment Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	COMMITMENT FEE RATE
Level 1	Aa3 or above	AA- or above	AA- or above	0.280%
Level 2	A1	A+	A+	0.330%
Level 3	A2	A	A	0.380%
Level 4	A3	A-	A-	0.430%
Level 5	Baa1	BBB+	BBB+	0.580%
Level 6	Baa2	BBB	BBB	0.830%
Level 7	Baa3	BBB-	BBB-	1.180%

The following paragraph shall be applicable to both clause (i) (including the pricing matrix) and clause (ii) (including the pricing matrix) above. The term "*Unutilized Commitment*" as used herein means the Commitment, as of the Closing Date for the period commencing on February 23, 2022, through but not including [\_\_\_\_], 2026, and as of the First Amendment Effective Date for the period commencing on [\_\_\_\_], 2026 and at all times thereafter, as permanently reduced from time to time in accordance with the Agreement less the outstanding principal amount of any Loans under the Agreement. The term "*Rating*" as used herein shall mean the long-term unenhanced debt rating assigned by Moody's, Fitch and S&P to any Debt of SMUD secured by or payable from Net Revenues on a parity with Bonds and Parity Bonds. In the event of a split rating (*i.e.*, the Rating of one of the Rating Agencies' is different than the Rating of any of the other Rating Agencies), the Commitment Fee Rate shall be based upon the Level in which the lower of the two highest Ratings appears; *provided, however*, if less than three Rating Agencies then assign a long-term unenhanced debt rating to Bonds and Parity Bonds, the Commitment Fee Rate shall be based upon the Level in which the lower Rating appears. Any change in the Commitment Fee Rate resulting from an Event of Default or change, withdrawal or suspension of a Rating shall be

and become effective as of and on the date of the Event of Default or the date of the announcement of the change, withdrawal or suspension of such Rating. References to ratings levels above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, including, without limitation, any recalibration or realignment of Rating in connection with the adoption of a “global” rating scale, the rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. In the event that a Rating is suspended or withdrawn (for the avoidance of doubt, a decision by SMUD to cause a Rating Agency to no longer maintain its Rating, for non-credit related reasons and not for the purpose of avoiding the occurrence of an event of default, shall not constitute a suspension or withdrawal of such Rating) from any Rating Agency or upon the occurrence of and during the continuance of an Event of Default, the Commitment Fee Rate shall increase to the sum of the Commitment Fee Rate specified above for Level 7 of the pricing matrix set forth in clause (ii) above *plus* 1.00% per annum. The Commitment Fees shall be payable as set forth above, together with interest on the Commitment Fees from the date payment is due until payment in full at the Default Rate. The Commitment Fee shall be payable in immediately available funds and computed on the basis of a year of 360 days and the actual number of days to elapse. SMUD acknowledges that as of the First Amendment Effective Date the Commitment Fee Rate is that specified in the pricing matrix set forth in clause (ii) above for Level 1.

*Section 1.2. Amendment, Consent or Waiver Fee.* SMUD agrees to pay to the Bank on the date of each amendment, supplement, or modification to the Agreement or this Fee Agreement (or any Program Document, the amendment, supplement or modification of which requires the consent of, or waiver from, the Bank), a non-refundable fee equal to \$2,500, or such other fee as may be agreed to between the Bank and SMUD after the Bank has provided SMUD with an estimate of such fee and SMUD has approved such fee estimate in writing plus the reasonable fees and expenses of any legal counsel retained by the Bank in connection therewith in an amount agreed to by the Bank and SMUD after the Bank has provided SMUD with an estimate of such fees and expenses of legal counsel and SMUD has approved such fee and expense estimate in writing.

*Section 1.3. Taxable Applicable Spread, Tax-Exempt Applicable Spread and L/C Fee Rate.* For purposes of the Agreement, the “Taxable Applicable Spread,” the “Tax-Exempt Applicable Spread” and the “L/C Fee Rate” means a rate per annum based upon the applicable Level corresponding to the then applicable Rating in the applicable column, as specified below:

(i) For the period commencing on February 23, 2022, through but not including [\_\_\_\_], 2026, the Taxable Applicable Spread and the Tax-Exempt Applicable Spread for such period shall be determined in accordance with the pricing matrix set forth below:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	TAXABLE APPLICABLE SPREAD	TAX-EXEMPT APPLICABLE SPREAD
Level 1	Aa3 or above	AA- or above	AA- or above	0.53%	0.44%
Level 2	A1	A+	A+	0.68%	0.59%
Level 3	A2	A	A	0.83%	0.74%
Level 4	A3	A-	A-	0.98%	0.89%
Level 5	Baa1	BBB+	BBB+	1.23%	1.14%
Level 6	Baa2	BBB	BBB	1.58%	1.49%
Level 7	Baa3	BBB-	BBB-	2.08%	1.99%

(ii) For the period commencing on [\_\_\_\_], 2026, and at all times thereafter, the Taxable Applicable Spread, the Tax-Exempt Applicable Spread and the L/C Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	TAXABLE APPLICABLE SPREAD	TAX-EXEMPT APPLICABLE SPREAD	L/C FEE RATE
Level 1	Aa3 or above	AA- or above	AA- or above	0.85%	0.75%	1.00%
Level 2	A1	A+	A+	1.00%	0.90%	1.15%
Level 3	A2	A	A	1.15%	1.05%	1.30%
Level 4	A3	A-	A-	1.30%	1.20%	1.45%
Level 5	Baa1	BBB+	BBB+	1.55%	1.45%	1.70%
Level 6	Baa2	BBB	BBB	1.90%	1.80%	2.05%
Level 7	Baa3	BBB-	BBB-	2.40%	2.30%	2.55%

The following paragraph shall be applicable to both clause (i) (including the pricing matrix) and clause (ii) (including the pricing matrix) above. In the event of a split rating (*i.e.*, the Rating of one of the Rating Agencies' is different than the Rating of any of the other Rating Agencies), the Taxable Applicable Spread, Tax-Exempt Applicable Spread and L/C Fee Rate shall be based upon the Level in which the lower of the two highest Ratings appears; *provided, however*, if less than three Rating Agencies then assign a long-term unenhanced debt rating to Bonds and Parity Bonds,

the Taxable Applicable Spread, Tax-Exempt Applicable Spread and L/C Fee Rate shall be based upon the Level in which the lower Rating appears. Any change in the Taxable Applicable Spread, Tax-Exempt Applicable Spread and L/C Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings levels above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, including, without limitation, any recalibration or realignment of Rating in connection with the adoption of a “global” rating scale, the rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. In the event that a Rating is suspended or withdrawn (for the avoidance of doubt, a decision by SMUD to cause a Rating Agency to no longer maintain its Rating, for non-credit related reasons and not for the purpose of avoiding the occurrence of an event of default, shall not constitute a suspension or withdrawal of such Rating) from any Rating Agency or upon the occurrence of and during the continuance of an Event of Default, the Loans shall bear interest at the Default Rate. SMUD acknowledges that as of the First Amendment Effective Date the Taxable Applicable Spread, Tax-Exempt Applicable Spread and L/C Fee Rate are the spreads and rate, as applicable, that are specified in the pricing matrix set forth in clause (ii) above for Level 1 in this Section 1.3.

*Section 1.4. Termination and Reduction Fees.* (a) Notwithstanding anything set forth herein or in the Agreement to the contrary, SMUD agrees not to terminate, or cause the termination or replacement of, the Agreement and/or the Commitment prior to the one (1) year anniversary of the First Amendment Effective Date, except upon the payment by SMUD to the Bank of a termination fee (the “*Termination Fee*”) on the date of such termination or replacement in an amount equal to the product of (1) the Commitment Fee Rate in effect on the date of such termination or replacement, (2) the Commitment (without regard to any outstanding Loans) on the date of termination or replacement of the Agreement and/or the Commitment and (3) a fraction, the numerator of which is equal to the number of days from and including the date of such termination or replacement until and including the one (1) year anniversary of the First Amendment Effective Date, and the denominator of which is 360; *provided, however*, that no such Termination Fee shall be payable if the Agreement and/or the Commitment is terminated or replaced as a result of (i) the Bank imposing on SMUD increased costs pursuant to Section 2.17 of the Agreement (*provided* that this clause (i) shall not be construed to relieve SMUD of any of its obligations under Section 2.17 of the Agreement), (ii) the occurrence of any event set forth in Section 2.4(e) of the Agreement or (iii) the determination of any Benchmark Replacement by the Bank or the making of any Conforming Changes by the Bank pursuant to Section 2.12 of the Agreement

(b) Notwithstanding anything set forth herein or in the Agreement to the contrary, SMUD agrees not to permanently reduce the Commitment prior to the one (1) year anniversary of the First Amendment Effective Date, without the payment by SMUD to the Bank of a reduction fee (the “*Reduction Fee*”) in connection with each and every permanent reduction of the Commitment on the date of such permanent reduction in an amount equal to the product of (A) the Commitment Fee Rate in effect on the date of such permanent reduction, (B) the difference between the Commitment (without regard to any outstanding Loans) prior to such permanent reduction and the Commitment (without regard to any outstanding Loans) after such permanent reduction, and (C)

a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction until and including the one (1) year anniversary of the First Amendment Effective Date and the denominator of which is 360; *provided, however*, that no such Reduction Fee shall be payable if the Commitment is permanently reduced as a result of (i) the Bank imposing on SMUD increased costs pursuant to Section 2.17 of the Agreement (*provided* that this clause (i) shall not be construed to relieve SMUD of any of its obligations under Section 2.17 of the Agreement), (ii) the occurrence of any event set forth in Section 2.4(e) of the Agreement or (iii) the determination of any Benchmark Replacement by the Bank or the making of any Conforming Changes by the Bank pursuant to Section 2.12 of the Agreement.

## ARTICLE II. MISCELLANEOUS.

*Section 2.1. Amendments.* No amendment to this Fee Agreement shall become effective without the prior written consent of SMUD and the Bank.

*Section 2.2. Governing Law.* PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW (OR ANY SUCCESSOR STATUTE THERETO), THIS FEE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW; *PROVIDED, HOWEVER*, THAT THE CAPACITY, POWER AND AUTHORITY OF SMUD TO ENTER INTO THIS FEE AGREEMENT AND THE OBLIGATIONS OF SMUD HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW WITHOUT REGARD TO CHOICE OF LAW RULES.

*Section 2.3. Counterparts.* This Fee Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. Delivery of an executed counterpart of a signature page of this Fee Agreement by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, will be effective as delivery of a manually executed counterpart of this Fee Agreement, and any printed or copied version of any signature page so delivered will have the same force and effect as an originally signed version of such signature page.

*Section 2.4. Severability.* Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 2.5. Representation by Legal Counsel; Joint Preparation.* The parties hereto have participated jointly in the negotiation and drafting of this Fee Agreement, and each of the parties was represented by its respective legal counsel during the negotiation and execution of this Fee Agreement. In the event an ambiguity or question of intent or interpretation arises, this Fee Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Fee Agreement.

*Section 2.6. No Disclosure.* Unless required by law, SMUD shall not deliver or permit, authorize or consent to the delivery of this Fee Agreement to any Person (other than SMUD's attorneys, accountants or auditors) or for posting on the Electronic Municipal Market Access website as provided by the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent. The Bank acknowledges and agrees, however, that this Fee Agreement was made available to the public for the meetings of the SMUD Board of Directors at which the SMUD Board of Directors considered the approval of the execution and delivery of this Fee Agreement.

*Section 2.7. Payment Due on Non-Business Day to Be Made on Next Business Day.* If any sum becomes payable pursuant to this Fee Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

*Section 2.8. Amended and Restated Fee Agreement.* This Fee Agreement amends and restates in its entirety the Original Fee Agreement but is not intended to be or operate as a novation or an accord and satisfaction of the Original Fee Agreement or the indebtedness, obligations and liabilities of SMUD evidenced or provided for thereunder. The parties hereto agree that this Fee Agreement does not extinguish or discharge the obligations of SMUD under the Original Fee Agreement. Reference to this specific Fee Agreement need not be made in any agreement, document, instrument, letter, certificate, the Agreement, the Original Fee Agreement itself, or any communication issued or made pursuant to or with respect to the Original Fee Agreement, any reference to the Original Fee Agreement being sufficient to refer to the Original Fee Agreement as amended and restated hereby, and more specifically, any and all references to the "Fee Agreement" in the Agreement shall mean this Fee Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
Name: Jennifer Restivo  
Title: Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**8b**

# BOARD AGENDA ITEM

## STAFFING SUMMARY SHEET

Committee Meeting & Date  
Finance & Audit – 01/14/26  
Board Meeting Date  
January 15, 2026

TO				TO								
1. Jennifer Restivo	6.											
2. Scott Martin	7.											
3. Farres Everly	8.											
4. Jose Bodipo-Memba	9. <b>Legal</b>											
5.	10. <b>CEO &amp; General Manager</b>											
<b>Consent Calendar</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b> <i>If no, schedule a dry run presentation.</i>		<b>Budgeted</b>	<input checked="" type="checkbox"/>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b> <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Jon Anderson		DEPARTMENT Treasury & Revenue Strategy			MAIL STOP B355		EXT. 5605	DATE SENT 12/26/25				
<b>NARRATIVE:</b>												
<p><b>Requested Action:</b> Authorize the Chief Executive Officer and General Manager, or his designee, to negotiate and execute:</p> <ul style="list-style-type: none"> <li>a) A three-year contract renewal with <b>Wells Fargo Bank, N.A. (Wells Fargo)</b> to modify and extend a \$50 million <b>Line of Credit (Wells Fargo Line)</b> and all other documents or actions necessary to facilitate the <b>Wells Fargo Line</b>; and</li> <li>b) A three-year contract with <b>PNC Bank, N.A. (PNC)</b> for a new \$100 million <b>Line of Credit (PNC Line)</b> and all other documents or actions necessary to facilitate the <b>PNC Line</b>.</li> </ul> <p><b>Summary:</b> SMUD currently maintains a \$500 million Commercial Paper and Line of Credit program. This program provides critical short-term funding for SMUD capital projects and a reliable source of liquidity, without the extended lead times associated with a bond issuance. An existing \$100 million line of credit with Wells Fargo is set to expire in February.</p> <p>The renewal of the Wells Fargo Line at \$50 million, and the establishment of a new \$100 million PNC Line, will allow SMUD to expand and diversify its short-term borrowing capacity. With these actions, SMUD will be able to increase its total short-term borrowing portfolio to \$550 million, increase portfolio diversification across financial institutions and borrowing type, while preserving similar program fees.</p> <p><b>Board Policy:</b> Strategic Direction SD-3, Access to Credit Markets (Number &amp; Title)</p> <p><b>Benefits:</b> The lines of credit provide liquidity and funding to support the SMUD capital program and our financial strength.</p> <p><b>Cost/Budgeted:</b> Fees and expenses are estimated to be \$1.3 million over the life of the contracts and are included in budget forecasts.</p> <p><b>Alternatives:</b> Issue fixed rate debt/bonds at a higher borrowing cost and with a longer lead time.</p> <p><b>Affected Parties:</b> Treasury &amp; Revenue Strategy</p> <p><b>Coordination:</b> Treasury &amp; Revenue Strategy and Legal</p> <p><b>Presenter:</b> Jennifer Restivo, Director, Treasury &amp; Revenue Strategy</p>												

### Additional Links:

SUBJECT	Line of Credit Renewal and Expansion	ITEM NO. (FOR LEGAL USE ONLY)
		<b>8b</b>

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**Draft Resolution  
(PNC Bank, National Association)**

**SACRAMENTO MUNICIPAL UTILITY DISTRICT****RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AUTHORIZING THE ISSUANCE OF THE SACRAMENTO  
MUNICIPAL UTILITY DISTRICT TAXABLE REVOLVING NOTE  
(PNC REVOLVING CREDIT AGREEMENT) AND TAX-EXEMPT REVOLVING NOTE  
(PNC REVOLVING CREDIT AGREEMENT) IN AN AGGREGATE PRINCIPAL  
AMOUNT NOT TO EXCEED \$100,000,000 OUTSTANDING AT ANY ONE TIME AND  
AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION  
THEREWITH**

WHEREAS, the Sacramento Municipal Utility District (“SMUD”) has determined that it is in its best interests to enter into a Revolving Credit Agreement with PNC Bank, National Association (as further defined herein, the “Credit Agreement”) and authorize the issuance of its Taxable Revolving Note (PNC Revolving Credit Agreement) and Tax-Exempt Revolving Note (PNC Revolving Credit Agreement) in an aggregate principal amount not to exceed \$100,000,000 outstanding at any one time (collectively, the “Notes”) under (a) Articles 6a and 6b of Chapter 6 of the Municipal Utility District Act (California Public Utilities Code Section 12850 *et seq.*), (b) Chapter 7.5 of the Municipal Utility District Act (California Public Utilities Code Section 13371 *et seq.*) and (c) Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (California Government Code Section 53580 *et seq.*);

WHEREAS, the Notes, when issued in accordance with this Resolution, will be Parity Notes under and as defined in Resolution No. 11-12-05, adopted by the Board of Directors of SMUD on December 1, 2011, as supplemented, modified and amended to the date hereof and as hereafter supplemented, modified and amended in accordance with its terms (the “2011 Resolution”), Resolution No. 19-02-02, adopted by the Board of Directors of SMUD on February 21, 2019, as supplemented, modified and amended to the date hereof and as hereafter supplemented, modified and amended in accordance with its terms (the “2019 Resolution”) and Resolution No. 22-02-07, adopted by the Board of Directors of SMUD on February 17, 2022, as supplemented, modified and amended to the date hereof and as hereafter supplemented, modified and amended in accordance with its terms (the “2022 Resolution”) and the Credit Agreement, when executed and delivered, will be a Parity Notes Reimbursement Agreement under and as defined in the 2011 Resolution, the 2019 Resolution and the 2022 Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento Municipal Utility District, as follows:

**ARTICLE I****DEFINITIONS; INTERPRETATION**

Section 1.01. **Definitions.** Unless the context otherwise requires, the following terms shall, for all purposes of this Resolution and of any resolution supplemental hereto, have the meanings herein specified:

“Act” means the Municipal Utility District Act, constituting Division 6 of the Public Utilities Code of the State of California, and all laws of the State of California amendatory thereof or supplemental thereto.

“Authorized Officer” means the Chief Executive Officer and General Manager of SMUD, any Member of the Executive Committee of SMUD, the Chief Financial Officer of SMUD, the Treasurer of SMUD, the Secretary of SMUD, or the designee of any such officer, and any other officer of SMUD designated by the Board as an Authorized Officer.

“Available Revenues” for any fiscal period means the sum of (a) the Revenues for such fiscal period plus (b) the amounts, if any, withdrawn by SMUD from the Rate Stabilization Fund created in the Master Bond Resolution for treatment as Revenues for such fiscal period, less the sum of (c) all Maintenance and Operation Costs with respect to the Electric System for such fiscal period, (d) all Energy Payments for such fiscal period not included in Maintenance and Operation Costs for the Electric System for such fiscal period, (e) the amounts, if any, withdrawn by SMUD from Revenues for such fiscal period for deposit in the Rate Stabilization Fund and (f) all amounts required to be paid under the Master Bond Resolution and the Subordinated Bond Resolution for principal, interest and reserve fund requirements on the Bonds, the Parity Bonds, the Subordinated Bonds and the Parity Subordinated Debt then outstanding, as the same become due and payable.

“Bank” means PNC Bank, National Association, and its permitted successors and assigns under the Credit Agreement.

“Board” means the Board of Directors of SMUD or any other governing board of SMUD hereafter provided for pursuant to law.

“Bonds” means the Sacramento Municipal Utility District Electric Revenue Bonds authorized to be issued and at any time outstanding pursuant to the Master Bond Resolution and any bonds issued on a parity therewith solely for the purpose of refunding any or all of the Bonds.

“Borrowing” has the meaning given to such term in the Credit Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Credit Agreement” means the Revolving Credit Agreement between SMUD and the Bank relating to the Notes, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Electric System” means the entire electric system of SMUD, together with all additions, betterments, extensions and improvements to that system or any part thereof.

“Energy/Fuel Contract Letter of Credit Facility Agreement” means any arrangement entered into between SMUD and a financial institution, in each case as amended or supplemented from time to time in accordance with the terms thereof, under which the financial institution provides letters of credit from time to time for the account of SMUD to secure SMUD’s energy and environmental trading obligations, including the potential posting of

collateral under SMUD's energy, natural gas, carbon, and other environmental product, purchase, sale and swap agreements.

“Energy Payments” means, when used with respect to the Electric System, all actual costs incurred, or charges made therefor, by SMUD in any particular fiscal year or period to which said term is applicable for purchased power (including power purchased from any special district included within the boundaries of SMUD), electric and thermal energy and capacity and under contracts providing for payments by SMUD for electric or thermal energy or capacity whether or not such energy or capacity is delivered or capable of being delivered or otherwise made available to or received by or for the account of SMUD.

“Fee Letter” means the fee letter or fee agreement (or any term of similar meaning) defined in the Credit Agreement or the applicable Parity Notes Reimbursement Agreement or Energy/Fuel Contract Letter of Credit Facility Agreement.

“Loan” has the meaning given to such term in the Credit Agreement.

“Maintenance and Operation Costs” means, when used with respect to the Electric System, all actual maintenance and operation costs incurred, or charges made therefor, by SMUD in any particular fiscal year or period to which said term is applicable, but only if said charges are made in conformity with generally accepted accounting principles, and exclusive in all cases of depreciation or obsolescence charges or reserves therefor, amortization of intangibles or other bookkeeping entries of a similar nature, and also exclusive of all interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of SMUD.

Such Maintenance and Operation Costs of the Electric System include, generally, purchased power (including power purchased from any special district included within the boundaries of SMUD), and such part of the cost of fuel of any type or character (including nuclear fuel), taxes, salaries and wages, fees for services, materials and supplies, rents, office supplies and all other costs as are charged directly or apportioned to the operation and maintenance of the generation, transmission and distribution system, customer accounts, sales and administrative functions, or to the general operation of SMUD.

Said term does not include costs, or charges made therefor, for capital additions, replacements, betterments, extensions or improvements to or retirements from the Electric System, which under generally accepted accounting principles are properly chargeable to the capital account or the reserve for depreciation, and does not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of SMUD nor such property items, including taxes and fuel, which are capitalized pursuant to the then existing accounting practice of SMUD.

In the event of any dispute arising hereunder, the phrase “generally accepted accounting principles,” and all other accounting methods and terminology contained or referred to in this Resolution, shall be construed, as nearly as practicable, in conformity with the uniform system of accounts, and accounting rules and regulations thereunder, prescribed by the Federal Energy Regulatory Commission for private power companies which are subject to its jurisdiction and which are engaged in business comparable to the Electric System.

**“Master Bond Resolution”** means Resolution No. 6649 of SMUD, adopted on January 7, 1971, as amended and supplemented from time to time heretofore and hereafter.

**“Maximum Interest Rate”** means the lesser of (i) 12% per annum or (ii) the maximum rate of interest permitted by applicable law or resolution of SMUD.

**“Notes”** means, collectively, the Taxable Note and the Tax-Exempt Note.

**“Parity Bonds”** means all revenue bonds of SMUD having an equal lien and charge upon the Net Revenues (as that term is defined in the Master Bond Resolution) with the Bonds, and therefore payable upon a parity with the Bonds (whether or not any Bonds are outstanding), including all refunding bonds issued under the Master Bond Resolution and all revenue bonds issued on a parity with the Bonds as provided in the Master Bond Resolution.

**“Parity Notes”** means the Series L Notes (as defined in the 2011 Resolution), the Series M Notes (as defined in the 2019 Resolution), the Notes (as defined in the 2022 Resolution), and any other notes or evidences of indebtedness incurred by SMUD on a parity with the Notes as provided herein.

**“Parity Notes Reimbursement Agreement”** means the Series L Reimbursement Agreement (as defined in the 2011 Resolution), the Reimbursement Agreement (as defined in the 2019 Resolution), the Credit Agreement (as defined in the 2022 Resolution), and any other credit enhancement agreement or similar agreement or any credit agreement or other arrangement which may be entered into by SMUD with respect to a series of Parity Notes issued by SMUD and designated by SMUD as such in connection with the issuance of such series of Parity Notes.

**“Parity Subordinated Debt”** means all revenue bonds of SMUD having an equal lien and charge upon the Net Subordinated Revenues (as that term is defined in the Subordinated Bond Resolution) and therefore payable on a parity with the Subordinated Bonds and junior to the Bonds and Parity Bonds.

**“Resolution”** means this Resolution as originally adopted by the Board and as it may from time to time be supplemented, modified or amended by any Supplemental Resolution adopted pursuant to the provisions hereof.

**“Revenues”** means all charges received for, and all other income and receipts derived by SMUD from, the operation of the Electric System, or arising from the Electric System, including income derived from the sale or use of electric energy generated, transmitted or distributed by any facilities of the Electric System, together with any receipts derived from the sale of any property pertaining to the Electric System or incidental to the operation of the Electric System or from any services performed by SMUD in connection with or incidental to the Electric System, or from any source whatsoever directly or indirectly derived from the Electric System, but exclusive in every case of any moneys derived from the levy or collection of taxes upon any taxable property in SMUD.

The term “Revenues” also includes any income or revenues derived from the wholesale sale of water developed by the White Rock Project (as defined in Resolution No. 4775 of SMUD), or the Upper American River Project (as defined in Resolution No. 4938 of SMUD),

but does not include revenues or income derived from the retail distribution of water through any distribution facility hereafter acquired by SMUD.

The term “Revenues” also includes all interest, profits or other income derived from the investment of any moneys in any fund or account established under the Master Bond Resolution or the Subordinated Bond Resolution.

“SMUD” means the Sacramento Municipal Utility District, a municipal utility district duly organized and existing under the Act.

“Subordinated Bond Resolution” means Resolution No. 85-11-1 adopted by the Board of Directors of SMUD on November 7, 1985, as amended and supplemented from time to time heretofore and hereafter.

“Subordinated Bonds” means the electric revenue bonds authorized to be issued and at any time outstanding pursuant to the Subordinated Bond Resolution and any bonds issued on a parity therewith solely for the purpose of refunding any or all of the Subordinated Bonds.

“Supplemental Resolution” means any resolution then in full force and effect which has been duly adopted by the Board at a meeting of the Board duly convened and held, at which a quorum was present and acted thereon, amendatory of or supplemental to this Resolution, but only if and to the extent that such supplemental resolution is specifically authorized hereunder.

“Taxable Note” means the Sacramento Municipal Utility District Taxable Revolving Note (PNC Revolving Credit Agreement).

“Tax-Exempt Note” means the Sacramento Municipal Utility District Tax-Exempt Revolving Note (PNC Revolving Credit Agreement).

“Term Loan” has the meaning given to such term in the Credit Agreement.

“2011 Resolution” means Resolution No. 11-12-05, adopted by the Board on December 1, 2011, as supplemented, modified and amended to the date hereof and as hereafter supplemented, modified or amended in accordance with its terms.

“2019 Resolution” means Resolution No. 19-02-02, adopted by the Board on February 21, 2019, as supplemented, modified and amended to the date hereof and as hereafter supplemented, modified or amended in accordance with its terms.

“2022 Resolution” means Resolution No. 22-02-07, adopted by the Board on February 17, 2022, as supplemented, modified and amended to the date hereof and as hereafter supplemented, modified or amended in accordance with its terms.

Section 1.02. Interpretation. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

## ARTICLE II

### THE NOTES

Section 2.01. Authorization. Each Note is hereby authorized to be issued in the stated principal amount of not to exceed \$100,000,000 outstanding at any one time. On or after the effective date of the Credit Agreement, SMUD may request Loans and Term Loans under either Note as provided in, and subject to the terms of, the Credit Agreement and this Resolution; provided, that the aggregate principal amount of Loans and Term Loans outstanding under the Notes at any one time shall not exceed \$100,000,000. Subject to the terms of the Credit Agreement and this Resolution, the principal amount of the Loans under the Notes that is paid or prepaid by SMUD may again be reborrowed under either Note.

Section 2.02. Terms of Notes. Subject to the limitations stated in Section 2.01 and the terms of the Credit Agreement, the Notes may be issued at such time and Loans and Term Loans thereunder may be requested from time to time in such amounts as shall be determined by an Authorized Officer.

The principal of the Notes shall be payable as provided in the Credit Agreement. The Notes shall bear interest at the rates and in the manner applicable to the related Loans and Term Loans provided in the Credit Agreement, except that no interest rate on the Notes (or related Loans and Term Loans) shall exceed the Maximum Interest Rate, subject to the terms of the Credit Agreement. Interest on the Notes shall be payable as provided in the Credit Agreement.

Section 2.03. Form of Notes. The Taxable Note shall be issued in substantially the form set forth in Exhibit A to the Credit Agreement (with such variations, omissions and insertions as may be required to conform the same to the terms of this Resolution or terms of the Credit Agreement). The Tax-Exempt Note shall be issued in substantially the form set forth in Exhibit B to the Credit Agreement (with such variations, omissions and insertions as may be required to conform the same to the terms of this Resolution or terms of the Credit Agreement).

Section 2.04. Execution of Notes. The Notes shall be executed in the name and on behalf of SMUD, with the manual signature of an Authorized Officer.

Section 2.05. Registration of Notes. The Notes shall be issued in registered form, initially registered in the name of the Bank. SMUD shall maintain in its books and records the name of each registered owner of the Notes from time to time. Registered ownership of the Notes may only be transferred in accordance with the terms of the Credit Agreement.

## ARTICLE III

### LOANS AND TERM LOANS UNDER THE NOTES

Section 3.01. Loans and Term Loans. Loans and Term Loans under the Notes will be made on the terms and conditions set forth in the Credit Agreement. Each request of SMUD for a Loan or Term Loan under the Notes pursuant to the Credit Agreement shall be deemed to be a representation by SMUD that (a) all action on the part of SMUD (including, if applicable, the adoption of a preliminary resolution pursuant to California Public Utilities Code section 12852)

necessary for the valid incurrence of the indebtedness represented by such Loan or Term Loan under the Notes has been taken, (b) the Notes, taking into account the making of such Loan or Term Loan thereunder, are valid and binding obligations of SMUD according to their terms, the terms of this Resolution and the terms of the Credit Agreement, (c) no Event of Default under Section 6.01 hereof has occurred and is continuing as of the date of such Loan or Term Loan and (b) SMUD is in compliance with the covenants set forth in Article V hereof as of the date of such Loan or Term Loan.

Section 3.02. Proceeds of Loans and Term Loans. The proceeds of Loans under the Notes shall be applied for any or all of the purposes specified in (a) Articles 6a and 6b of Chapter 6 of the Act (California Public Utilities Code Section 12850 *et seq.*), (b) Chapter 7.5 of the Act (California Public Utilities Code Section 13371 *et seq.*) and (c) Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (California Government Code Section 53580 *et seq.*), as determined by an Authorized Officer. The proceeds of Term Loans under the Notes shall be applied to refund the then-outstanding principal amount of the Loans under the Notes as provided in Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (California Government Code Section 53580 *et seq.*) and the Credit Agreement.

Pending expenditure for the foregoing purposes, proceeds of the Loans under the Notes may be invested in bonds, notes, certificates of indebtedness, bills, acceptances or other securities in which funds of SMUD may be legally invested as provided by the law in effect at the time of such investment.

## ARTICLE IV

### PLEDGE OF AVAILABLE REVENUES

Section 4.01. Pledge; Deposit of Revenues. The Notes and all Parity Notes and the obligations of SMUD under the Credit Agreement, any Parity Notes Reimbursement Agreement, any Fee Letter and any Energy/Fuel Contract Letter of Credit Facility Agreement are revenue obligations, are not secured by the taxing power of SMUD and shall be payable exclusively from, and shall be secured by a pledge (which pledge shall be effected in the manner and to the extent hereinafter provided) of, the Available Revenues. The Available Revenues constitute a trust fund for the security and payment of the interest on and principal of the Notes and all Parity Notes and all obligations of SMUD under the Credit Agreement, any Parity Notes Reimbursement Agreement, any Fee Letter and any Energy/Fuel Contract Letter of Credit Facility Agreement. The Available Revenues have been pledged pursuant to the 2011 Resolution, the 2019 Resolution, and the 2022 Resolution and are hereby further pledged to the payment of the Notes and all Parity Notes and all obligations of SMUD under the Credit Agreement, any Parity Notes Reimbursement Agreement, any Fee Letter and any Energy/Fuel Contract Letter of Credit Facility Agreement without priority or distinction of one over the other, subject to the condition that out of Revenues:

First: There shall be applied all sums required for Maintenance and Operation Costs of the Electric System and all Energy Payments not included in Maintenance and Operation Costs.

Second: There shall be applied all sums required for the payment of the principal of (including any premium thereon) and interest on the Bonds and all Parity Bonds, together with any sinking fund or reserve fund payments on the Bonds and all Parity Bonds.

Third: There shall be applied all sums required for the payment of the principal of (including any premium thereon) and interest on the Subordinated Bonds and all Parity Subordinated Debt, together with any sinking fund or reserve fund payments on the Subordinated Bonds and all Parity Subordinated Debt.

Fourth: There shall be applied, on a parity basis, all sums required (i) for the payment of the principal of and interest on the Notes and all Parity Notes, (ii) for all obligations of SMUD under the Credit Agreement, any Parity Notes Reimbursement Agreement and any Fee Letter, and (iii) for all obligations of SMUD under any Energy/Fuel Contract Letter of Credit Facility Agreement.

All remaining Revenues, after making the foregoing allocation, shall be available to SMUD for all lawful SMUD purposes. The pledge of Available Revenues herein made shall be irrevocable until the Notes and all Parity Notes have been paid and retired and all obligations of SMUD under the Credit Agreement, any Parity Notes Reimbursement Agreement, any Fee Letters and any Energy/Fuel Contract Letter of Credit Facility Agreement have been satisfied.

SMUD may issue additional Parity Notes and enter into additional Parity Notes Reimbursement Agreements and/or Energy/Fuel Letter of Credit Facility Agreements from time to time provided no Event of Default under Section 6.01 has occurred and is continuing as of the date of the issuance of such Parity Notes or the execution and delivery of any such Agreements.

## ARTICLE V

### COVENANTS OF SMUD

Section 5.01. Authorization. SMUD will not permit the aggregate principal amount of the Notes outstanding at any one time to exceed the limitations specified in Section 2.01 hereof.

Section 5.02. Punctual Payment. SMUD will punctually pay or cause to be paid the principal of and interest, if any, on the Notes (but only from Available Revenues or, at the sole option of SMUD, any other funds legally available for such payment), in conformity with the Notes, this Resolution and the Credit Agreement.

Section 5.03. Tax Covenant. SMUD covenants with the Bank that no use of the proceeds of the Loans or Term Loans under the Tax-Exempt Note or any other funds of SMUD will be made which will cause the Tax-Exempt Note or any Loan or Term Loan thereunder to be "arbitrage bonds" the interest on which is subject to federal income taxation by reason of Section 148 of the Code. To that end, so long as any principal of the Tax-Exempt Note is outstanding, SMUD, with respect to such proceeds and other funds, shall comply with all requirements of said Section 148 (including any rebate requirements pursuant to Section 148(f)) and of all regulations of the United States Department of the Treasury issued thereunder, to the extent that such regulations are, at the time, applicable and in effect.

SMUD further covenants with the Bank that it will make no use of the proceeds of any Loan or Term Loan under the Tax-Exempt Note or any other funds of SMUD or take any other action which would cause interest on the Tax-Exempt Note or any Loan or Term Loan thereunder to be subject to federal income taxation by reason of Section 141 or Section 149 of the Code. To that end, so long as any principal of the Tax-Exempt Note is outstanding SMUD will comply with all requirements of such Section 141 and Section 149 and all regulations to the extent that such requirements are, at the time, applicable and in effect.

## ARTICLE VI

### EVENTS OF DEFAULT AND REMEDIES

Section 6.01. Events of Default. The following events shall be events of default (the "Events of Default") hereunder:

- (a) if default shall be made in the due and punctual payment of the principal of any Note when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;
- (b) if default shall be made in the due and punctual payment of any installment of interest on any Note when and as such interest installment shall become due and payable;
- (c) if the holder of any Bond or the trustee for any holders of Bonds at the time outstanding exercises a right under the Bond or the constituent instruments under which such Bond was issued to declare the principal thereof (and interest accrued thereon) to be payable prior to the maturity thereof; or
- (d) an Event of Default under and as defined in the Credit Agreement.

Section 6.02. Suits at Law or in Equity and Mandamus. In case one or more Events of Default shall occur, then and in every such case the holder of any Note at the time outstanding shall be entitled to proceed to protect and enforce such holder's rights by such appropriate judicial proceeding as such holder shall deem most effectual to protect and enforce any such right, whether by mandamus or other suit or proceeding at law or in equity, for the specific performance of any covenant or agreement contained in this Resolution, or in aid of the exercise of any power granted in this Resolution, or to enforce any other legal or equitable right vested in the holders of Notes by this Resolution or the Notes or by law. The provisions of this Resolution shall be a contract with each and every holder of Notes, and the duties of SMUD and of the Board shall be enforceable by any holder of the Notes by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

Section 6.03. Remedies Not Exclusive. No remedy herein conferred upon the holders of Notes is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by the holder of any one or more of the Notes.

## ARTICLE VII

### MISCELLANEOUS

Section 7.01. Supplemental Resolutions. SMUD may modify or amend this Resolution at any time but only with the prior written consent of the Bank.

Section 7.02. Approval and Execution of Credit Agreement and Fee Letter. The Credit Agreement and the Fee Letter relating to the Credit Agreement, each between SMUD and the Bank, in substantially the forms submitted to this meeting, are hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed, for and on behalf of SMUD, to execute and deliver the Credit Agreement and the Fee Letter relating to the Credit Agreement in substantially said forms, with such changes therein as the Authorized Officer executing the same, with the advice of SMUD's counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7.03. Letters of Credit. The Authorized Officers are hereby authorized and directed to request the issuance from time to time of Letters of Credit (as defined in the Credit Agreement) by the Bank pursuant to the Credit Agreement in such amounts as are required by SMUD and to do any and all things and to execute, deliver and perform any and all agreements and documents which they deem necessary or advisable in order to request or cause the issuance of any such Letter of Credit by the Bank.

Section 7.04. Additional Actions. The Authorized Officers are hereby authorized and directed to do any and all things and to execute, deliver and perform any and all agreements, certificates and documents (including, but not limited to, tax certificates) which they deem necessary or advisable in order to consummate the issuance and delivery of the Notes in accordance with the this Resolution and the Credit Agreement and to effect the purposes of this Resolution and the transactions contemplated hereby. The Authorized Officers are hereby further authorized and directed to do any and all things and to execute, deliver and perform any and all agreements, certificates and documents which they deem necessary or desirable to extend the Facility Maturity Date (as defined in the Credit Agreement) from time to time; provided that, (a) the Commitment (as defined in the Credit Agreement) shall not exceed \$100,000,000 and (b) the fees payable under the Fee Letter during the term of any such extension shall continue to be commercially reasonable, as determined by any Authorized Officer, such determination to be conclusively evidenced by the execution and delivery of the applicable agreements, certificates and documents extending the Facility Maturity Date.

Section 7.05. Effective Date of Resolution. This Resolution shall take effect immediately upon adoption.

# **Draft Revolving Credit Agreement (PNC Bank, National Association)**

REVOLVING CREDIT AGREEMENT

dated as of [\_\_\_\_\_] 1, 2026,

between

SACRAMENTO MUNICIPAL UTILITY DISTRICT

and

PNC BANK, NATIONAL ASSOCIATION

relating to:

\$100,000,000

SACRAMENTO MUNICIPAL UTILITY DISTRICT,  
TAXABLE AND TAX-EXEMPT REVOLVING NOTES  
(PNC REVOLVING CREDIT AGREEMENT)

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## **REVOLVING CREDIT AGREEMENT**

(This Table of Contents is not a part of this  
Revolving Credit Agreement and is only  
for convenience of reference)

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## REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT dated as of [\_\_\_\_\_] 1, 2026 (together with all amendments, supplements and other modifications hereto, this “*Agreement*”), between SACRAMENTO MUNICIPAL UTILITY DISTRICT, a municipal utility district of the State of California (together with its successors and assigns, “*SMUD*”) and PNC BANK, NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, the “*Bank*”).

### WITNESSETH:

WHEREAS, pursuant to the authority granted by the laws of the State of California, particularly Articles 6a and 6b of Chapter 6 of the Municipal Utility Act (California Public Utilities Code Section 12850 *et seq.*), Chapter 7.5 of the Municipal Utility District Act (California Public Utilities Code Section 13371 *et seq.*) and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (California Government Code Section 53.80 *et seq.*), and Resolution No. [\_\_\_\_\_] (the “*Note Resolution*”) adopted by the Board of Directors of SMUD, on [\_\_\_\_\_] 2026, SMUD authorized the issuance of its Taxable Revolving Note (PNC Revolving Credit Agreement) and Tax-Exempt Revolving Note (PNC Revolving Credit Agreement) in an aggregate principal amount not to exceed \$100,000,000 outstanding at any one time; and

WHEREAS, SMUD has requested the Bank to establish the Commitment and execute and deliver this Agreement and the Bank is prepared to establish the Commitment upon the terms and conditions stated in this Agreement;

NOW, THEREFORE, in consideration of the agreements set forth herein and in order to induce the Bank to establish the Commitment and execute and deliver this Agreement, the Bank and SMUD agree as follows:

## ARTICLE ONE

### DEFINITIONS

*Section 1.1. Definitions.* As used in this Agreement:

“*Act*” means the Municipal Utility District Act, constituting Division 6 of the Public Utilities Code of the State of California, and all laws of the State of California amendatory thereof or supplemental thereto.

“*Affiliate*” means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.

“*Alternate Base Rate*” means, for any day, the rate per annum equal to the highest of (i) the Prime Rate then in effect, and (ii) the Overnight Bank Funding Rate *plus* 0.50%.

“*Alternate Rate*” means (a) in the case of Taxable Loans, the Alternate Base Rate and (b) in the case of Tax-Exempt Loans, the product of (i) the Alternate Base Rate and (ii) eighty-one percent (81%).

“*Alternate Rate Loan*” means any Loan bearing interest at a rate based upon the Alternate Rate as provided in Section 2.12 hereof.

“*Amortization End Date*” means, with respect to any Term Loan, the earliest to occur of: (i) the fifth (5th) anniversary of the Facility Maturity Date, and (ii) the date on which the Commitment could have been permanently reduced to zero or this Agreement is otherwise terminated, including as a result of the occurrence of an Event of Default (*provided, however,* that the occurrence of a Rating Event at any time shall not result in an Amortization End Date).

“*Amortization Payment Date*” means, with respect to each Term Loan, (a) the first Business Day to occur on or after the one hundred eightieth (180th) calendar day following the Facility Maturity Date and the first Business Day of each sixth (6th) calendar month occurring thereafter prior to the Amortization End Date and (b) the related Amortization End Date.

“*Anti-Corruption Laws*” has the meaning set forth in Section 4.1(u)(ii) hereof.

“*Anti-Terrorism Law*” has the meaning set forth in Section 4.1(v) hereof.

“*Authorized SMUD Representative*” means the Chief Executive Officer and General Manager of SMUD, any Member of the Executive Committee of SMUD, the Chief Financial Officer of SMUD, the Treasurer of SMUD and/or the Secretary of SMUD.

“*Available Revenues*” has the meaning set forth in the Note Resolution.

“*Bank*” has the meaning set forth in the introductory paragraph hereof.

“*Bank Agreement*” means any credit agreement, loan agreement, letter of credit, reimbursement agreement, bond purchase agreement, liquidity agreement, direct purchase agreement (such as a continuing covenant agreement or supplemental bondholder’s agreement) or other agreement or instrument (or any amendment, supplement or modification thereto) entered into by SMUD with any Person, directly or indirectly, or otherwise consented to by SMUD, under which any Person or Persons undertakes to directly purchase, make loans, extend credit or liquidity to SMUD in connection with any of SMUD’s Debt payable from or secured by a lien on Net Revenues senior to or on a parity with the Obligations.

“*Bank Rate*” means the rate of interest per annum with respect to any Term Loan (i) for any day commencing on the date such Term Loan is made to and including the thirtieth (30th) day

next succeeding the date such Term Loan is made, equal to the Base Rate from time to time in effect, (ii) for any day commencing on the thirty-first (31st) day next succeeding the date such Term Loan is made to and including the ninetieth (90th) day next succeeding the date such Term Loan is made, equal to the sum of the Base Rate from time to time in effect *plus* one percent (1.00%) and (iii) for any day commencing on the ninety-first (91st) day next succeeding the date such Term Loan is made and thereafter, equal to the sum of the Base Rate from time to time in effect *plus* two percent (2.00%); *provided, however,* that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “*Bank Rate*” shall mean the Default Rate.

“*Bank-Related Persons*” means the Bank, its Affiliates and the officers, directors, employees, agents and attorneys-in-fact of the Bank and Affiliates.

“*Base Rate*” means, for any day, the rate per annum equal to the highest of (i) the Prime Rate then in effect, (ii) the Overnight Bank Funding Rate *plus* 0.50%, and (iii) 9.00%.

“*Bonds*” has the meaning set forth in the Master Bond Resolution.

“*Borrowing*” means the borrowing of a Loan, as requested in each Notice of Borrowing.

“*Business Day*” means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in Los Angeles, California or New York, New York are authorized by law to close, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or (c) a day on which the principal offices of the Bank are closed; *provided* that, when used in connection with an amount that bears interest at a rate based on SOFR or any direct or indirect calculation or determination involving SOFR, the term “*Business Day*” means any such day that is also a U.S. Government Securities Business Day.

“*Cash Collateral*” means, to pledge and deposit with, or deliver to the Bank, as collateral for L/C Obligations, cash or deposit account balances or, if the Bank shall agree, in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Bank. “*Cash Collateral*” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“*Cash Collateralized Letter of Credit*” has the meaning set forth in Section 8.11(d) hereof.

“*Change in Law*” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, including, without limitation Risk-Based Capital Guidelines, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, rulings, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel

Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“*Closing Date*” means [\_\_\_\_\_], 2026, subject to the satisfaction (or waiver by the Bank) of all of the conditions precedent set forth in Section 3.1 hereof.

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto, and the regulations promulgated thereunder.

“*Commitment*” means the amount of \$100,000,000, as such amount may be reduced from time to time or terminated pursuant to Sections 2.7, 2.8 and 6.2 hereof.

“*Commitment Fee*” has the meaning set forth in the Fee Agreement.

“*Confidential Information*” means any permitted redactable information regarding SMUD, the Bank or any Affiliate of the Bank including, without limitation, address and account information, e-mail addresses, telephone numbers, facsimile numbers, names and signatures of officers, employees and signatories.

“*Conforming Changes*” means, with respect to Daily SOFR or any Benchmark Replacement in relation thereto, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Bank decides may be appropriate to reflect the adoption and implementation of Daily SOFR or such Benchmark Replacement and to permit the administration thereof by the Bank in a manner substantially consistent with market practice (or, if the Bank decides that adoption of any portion of such market practice is not administratively feasible or if the Bank determines that no market practice for the administration of Daily SOFR or the Benchmark Replacement exists, in such other manner of administration as the Bank decides is reasonably necessary in connection with the administration of this Agreement and the other Program Documents).

“*Credit Default*” means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become a Credit Event of Default.

“*Credit Event of Default*” means any of those Events of Default set forth in Sections 6.1(a), 6.1(d), 6.1(e), 6.1(f), 6.1(g), 6.1(h), 6.1(i), 6.1(j), 6.1(k), 6.1(m), 6.1(n), 6.1(o) and 6.1(p) hereof.

“*Daily 1M SOFR*” means, for any day, the interest rate per annum determined by the Bank by dividing (the resulting quotient rounded upwards, at the Bank’s discretion, to the nearest 1/100th of 1%) (A) the Term SOFR Reference Rate for such day for a one-month period, as published by the Term SOFR Administrator, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage; provided that if Daily 1M SOFR, determined as provided above, would be

less than the Floor, then Daily 1M SOFR shall be deemed to be the Floor. The rate of interest will be adjusted automatically as of each Business Day based on changes in Daily 1M SOFR without notice to SMUD.

“*Daily SOFR*” means Daily 1M SOFR.

“*Debt*” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements, bank agreements or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (d) all obligations of such Person as lessee under leases (as determined under Governmental Accounting Standards Board Statement No. 87 Leases, or any successor guidance) shown on the liabilities side of the balance sheet of such Person, excluding any leases that (i) arise in connection with purchase agreements for power, gas, resource adequacy, capacity, renewable energy credits, energy storage, renewable energy, or other similar products or (ii) are for operational or administrative purposes only and do not represent a financing transaction, (e) all obligations secured by any Lien upon property of such Person, whether or not such Person has assumed or become liable for the payment of such obligations (other than collateralized commodity swaps the obligations under which are either (a) not secured by a Lien on Net Revenues or (b) secured by a Lien on Net Revenues subordinate to the Obligations), (f) all obligations of such Person on or with respect to letters of credit, banker’s acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money, and (g) certificates of participation evidencing an undivided ownership interest in payments made by such Person (A) as lessee under any lease of property which in accordance with generally accepted accounting principles would be required to be capitalized on the balance sheet of such Person, (B) as purchaser under an installment sale agreement or (C) otherwise as an obligor in connection therewith, and (h) all Debt of any other Person of the kind referred to in clauses (a) through (g) above which is guaranteed directly or indirectly in any manner by such Person.

“*Default*” means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“*Default Rate*” means a per annum rate of interest equal to the sum of the Base Rate from time to time in effect plus three percent (3.00%).

“*Designated Jurisdiction*” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date on which SMUD files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) the date on which the Bank or any Noteholder or former Noteholder notifies SMUD that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by SMUD of such notification from the Bank or such Noteholder or any former Noteholder, SMUD shall deliver to the Bank, the Noteholder and any former Noteholder a ruling or determination letter issued to or on behalf of SMUD by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such ruling or determination letter) or a written opinion of its Note Counsel to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) the date on which SMUD shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of SMUD, or upon any review or audit of SMUD or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) the date on which SMUD shall receive notice from the Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bank, such Noteholder or such former Noteholder the interest on the Tax-Exempt Note or Tax-Exempt Loan due to the occurrence of an Event of Taxability;

*provided, however,* no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless SMUD has been afforded the opportunity, at its expense, to contest any such assessment or opinion, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however,* that upon demand from the Bank, such Noteholder or former Noteholder, SMUD shall promptly reimburse, the Bank, such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties or other charges, the Bank, such Noteholder or former Noteholder shall be obligated to make as a result of the Determination of Taxability.

“*Dollars*” and the sign “\$” means lawful money of the United States of America.

“*Electric System*” has the meaning set forth in the Note Resolution.

“*EMMA*” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“*Event of Default*” has the meaning set forth in Section 6.1 hereof.

“*Event of Taxability*” means a (i) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by SMUD, or the failure to take any action by SMUD, or the making by SMUD of any misrepresentation herein or in any certificate given in connection with the Tax-Exempt Note or Tax-Exempt Loans) which has the effect of causing interest paid or payable on any Tax-Exempt Note or any Tax-Exempt Loan to become includable in the gross income of the Bank, the Noteholder or any former Noteholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or SMUD of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on any Tax-Exempt Note or any Tax-Exempt Loan to become includable in the gross income of the Bank, the Noteholder or any former Noteholder for federal income tax purposes with respect to any Tax-Exempt Note or any Tax-Exempt Loan.

“*Excess Interest*” has the meaning set forth in Section 2.19 hereof.

“*Excluded Taxes*” means, with respect to the Bank, any Participant or any Noteholder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank, such Participant or such Noteholder is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Bank, such Participant or such Noteholder is located.

“*Extended Letter of Credit*” has the meaning set forth in Section 8.1(b) hereof.

“*Extensions of Credit*” means at any time, (a) an amount equal to the sum of (i) the aggregate principal amount of all Loans then outstanding, and (ii) the L/C Obligations then outstanding, or (b) the making of any Loan or the issuance of any Letter of Credit by the Bank, as the context requires.

“*Facility Maturity Date*” means April 30, 2029, or, if such day is not a Business Day, the next preceding Business Day.

“*Favorable Opinion of Note Counsel*” means a written opinion of Note Counsel, addressed to SMUD and the Bank to the effect that the new Benchmark Replacement will not, in and of itself, cause interest on the outstanding Tax-Exempt Loans to be included in gross income for purposes of federal income taxation.

“*Fee Agreement*” means that certain Fee Agreement, dated the Closing Date, between SMUD and the Bank, as the same may be amended, modified or supplemented from time to time

by written instrument executed by the Bank and SMUD, the terms of which are incorporated herein by reference.

*“Fiscal Year”* means the twelve-month period commencing on January 1 of each year and ending on December 31 of the same calendar year or such other twelve-month period as SMUD may from time to time determine as its Fiscal Year.

*“Fitch”* means Fitch Ratings, Inc. and its successors, and if such Person shall for any reason no longer perform the functions of a securities rating agency, *“Fitch”* shall be deemed to refer to any nationally recognized securities rating agency designated by SMUD that is acceptable to the Bank in its sole discretion.

*“Floor”* means a rate of interest per annum equal to zero percent (0.0%).

*“Government Acts”* means any act or omission to act, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

*“Governmental Authority”* means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, the Financial Conduct Authority, the Prudential Regulation Authority and any supra-national bodies such as the European Union or the European Central Bank); *provided, however*, that, for the purposes of Sections 2.16 and 2.17 hereof only, *“Governmental Authority”* means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

*“Indemnified Taxes”* means Taxes other than Excluded Taxes.

*“Interest Payment Date”* means with respect to each Loan and each Term Loan, the tenth (10th) calendar day of each calendar month (with the first Interest Payment Date being [\_\_\_\_\_] 10, 2026), the Facility Maturity Date and such earlier date on which all Loans and Term Loans are required to be paid in full in accordance with the terms hereof or, if applicable, on the Amortization End Date.

*“ISP”* means the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time).

*“L/C Fee Rate”* has the meaning set forth in the Fee Agreement.

“*L/C Obligations*” means at any time, an amount equal to the sum of (a) the aggregate undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit which have not then been reimbursed pursuant to Section 8.3 hereof.

“*L/C Sublimit*” means \$20,000,000.

“*Laws*” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*Letter of Credit*” has the meaning set forth in Section 8.1(a) hereof.

“*Letter of Credit Application*” means an application requesting the Bank to issue a Letter of Credit in the form specified by the Bank from time to time.

“*Letter of Credit Documents*” means with respect to any Letter of Credit, such Letter of Credit, any Letter of Credit Application and any other document, agreement and instrument required by the Bank and relating to such Letter of Credit, in each case in the form specified by the Bank from time to time.

“*Lien*” means, with respect to any property, tangible or intangible, real or personal, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind in respect of such property.

“*Loan*” means a Loan to be made by the Bank in accordance with the applicable Notice of Borrowing. The term “*Loan*” means, individually, a Taxable Loan or a Tax-Exempt Loan and “*Loans*” means Taxable Loans or Tax-Exempt Loans, or a combination thereof, as applicable.

“*Majority Noteholder*” means the Noteholders with a majority of the aggregate ownership interest in Loans and Term Loans evidenced by the Taxable Note and Tax-Exempt Note from time to time. As of the Closing Date, PNC Bank, National Association, is the Majority Noteholder.

“*Master Bond Resolution*” means Resolution No. 6649 of SMUD, adopted on January 7, 1971, and amended and supplemented from time to time in accordance with the terms thereof.

“*Material Adverse Effect*” or “*Material Adverse Change*” means (a) with respect to SMUD, a material adverse effect upon SMUD’s business, assets, liabilities, financial condition, results of operations or business prospects, and (b) with respect to SMUD’s obligations under this Agreement, the Fee Agreement or any other SMUD Program Document, a material adverse effect upon (i) the binding nature, validity or enforceability of SMUD’s obligations hereunder or

thereunder, (ii) SMUD's ability to perform its obligations hereunder or thereunder or (iii) the rights, security or interests of the Bank.

*“Maximum Federal Corporate Tax Rate”* means, on any given day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Bank, the maximum statutory rate of federal income taxation which could apply to the Bank).

*“Maximum Interest Rate”* means the maximum interest rate with respect to the Revolving Notes and the Obligations as provided in the Note Resolution, which initially shall be 12% per annum.

*“Maximum Rate”* means the maximum non-usurious lawful rate of interest permitted by applicable law.

*“Minimum Collateral Amount”* means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 6.2(c) hereof, an amount equal to 105% of the aggregate outstanding amount of all L/C Obligations and (b) otherwise, an amount determined by the Bank in its sole discretion.

*“Moody’s”* means Moody’s Investors Service and its successors, and if such Person shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any nationally recognized securities rating agency designated by SMUD that is acceptable to the Bank in its sole discretion.

*“Net Revenues”* has the meaning set forth in the Master Bond Resolution.

*“Net Subordinated Revenues”* has the meaning set forth in the Subordinated Bond Resolution.

*“Non-Credit Event of Default”* means those Events of Default set forth in Sections 6.1(b), 6.1(c) and 6.1(l) hereof.

*“Noteholder”* means the Bank and each transferee pursuant to the terms hereof so long as such transferee owns an interest in the Taxable Note or the Tax-Exempt Note, as applicable, and shall include any holder of Term Loans.

*“Note Counsel”* means Orrick Herrington & Sutcliffe LLP, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by SMUD.

*“Note Resolution”* has the meaning set forth in the recitals hereof.

*“Notice of Borrowing”* has the meaning set forth in Section 2.2(a)(i) hereof.

*“Notice of Conversion”* has the meaning set forth in Section 2.2(a)(ii) hereof.

“*NYFRB*” means the Federal Reserve Bank of New York.

“*Obligations*” means the Loans and Term Loans (which includes amounts owing to the Bank evidenced by and payable under the Revolving Notes), the Commitment Fees and all other obligations of SMUD to the Bank arising under or in relation to this Agreement, the Fee Agreement, the Letters of Credit or any of the other Program Documents (including any amounts to reimburse the Bank for any advances or expenditures by it under any of such documents).

“*OFAC*” means the U.S. Department of the Treasury’s Office of Foreign Assets Control, and any successor thereto.

“*Optional Termination Event*” means (i) a consolidation or merger of SMUD or the Electric System into another entity whereby either (a) as a result of such consolidation or merger, SMUD or the Electric System is not the surviving entity or (b) such consolidation or merger could reasonably be expected to result in a Material Adverse Effect, or (ii) the failure of SMUD to comply with generally accepted accounting principles applicable to governmental entities and such failure shall continue for a period of forty-five (45) consecutive days after SMUD has actual knowledge of such failure.

“*Overnight Bank Funding Rate*” means, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Bank for the purpose of displaying such rate); *provided*, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; *provided, further*, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Bank at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to SMUD.

“*Parity Bonds*” has the meaning set forth in the Note Resolution.

“*Parity Notes*” has the meaning set forth in the Note Resolution.

“*Parity Notes Reimbursement Agreement*” has the meaning set forth in the Note Resolution.

“*Parity Subordinated Debt*” has the meaning set forth in the Note Resolution.

“*Participant*” has the meaning set forth in Section 7.3(b) hereof.

“*Participation*” has the meaning set forth in Section 7.3(b) hereof.

*“Payment Account”* means [ABA: [\_\_\_\_], Bank: PNC Bank, Account Number: [\_\_\_\_], Account Name: [\_\_\_\_], Address: [\_\_\_\_], Reference: [\_\_\_\_], Customer Name: Sacramento Municipal Utility District, Obligor: [\_\_\_\_]], or such other account as the Bank may designate from time to time.

*“Person”* means an individual, a corporation, a partnership, an association, a limited liability company, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

*“Plan”* means a pension plan providing benefits for employees of any Person.

*“Prime Rate”* means the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

*“Program Documents”* means this Agreement, the Revolving Notes, the Fee Agreement, the Note Resolution, the Letter of Credit Documents and any documents related thereto.

*“Property”* means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

*“Rating”* means, with respect to any Rating Agency, the lowest rating assigned by such Rating Agency to any senior lien, long-term Bonds (without regard to bond insurance or any other form of credit enhancement) of SMUD.

*“Rating Agency”* and *“Rating Agencies”* means, individually or collectively, as applicable, Moody’s, S&P and Fitch.

*“Rating Event”* means the occurrence of a downgrade by any Rating Agency of its long-term rating with respect to any senior lien, long-term Bonds (without regard to bond insurance or any other form of credit enhancement) of SMUD to a level below “Baa1” (or its equivalent) in the case of Moody’s, “BBB+” (or its equivalent) in the case of S&P or “BBB+” (or its equivalent) in the case of Fitch and such downgrade shall continue for a period of one hundred sixty (160) days.

*“Recipient”* means the Bank, each Participant, each Noteholder and any other recipient of any payment to be made by or on account of any obligation of SMUD hereunder.

*“Reimbursement Obligations”* means the obligation of SMUD to reimburse the Bank pursuant to Section 8.3 hereof for amounts drawn under any and all Letters of Credit issued by the Bank.

*“Reinstated Letter of Credit”* has the meaning set forth in Section 8.11(d) hereof.

“*Revenues*” has the meaning set forth in the Note Resolution.

“*Revolving Credit Period*” means the period from and including the Closing Date to and including the Termination Date.

“*Revolving Notes*” means the Taxable Note and the Tax-Exempt Note.

“*Risk-Based Capital Guidelines*” means (a) the risk-based capital guidelines in effect in the United States of America, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendment to such regulations.

“*S&P*” means S&P Global Ratings, and its successors, and if such division shall for any reason no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by SMUD that is acceptable to the Bank in its sole discretion.

“*Sanction*” or “*Sanctions*” means any economic or financial sanction administered or enforced by the United States Government (including, without limitation, those administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC), the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future United States Government statute or executive order.

“*SMUD*” has the meaning set forth in the introductory paragraph hereof.

“*SMUD Board*” means the board of directors of SMUD.

“*SMUD Program Documents*” means the Program Documents to which SMUD is a party (including, without limitation, the Note Resolution).

“*SOFR*” means a rate equal to the secured overnight financing rate as administered by the NYFRB (or a successor administrator of the secured overnight financing rate).

“*SOFR Reserve Percentage*” means, for any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to SOFR funding.

“*State*” means the State of California.

“*Subordinated Bond Resolution*” means Resolution No. 85-11-1 of SMUD, duly adopted at a meeting of SMUD on November 7, 1985, as amended and restated by Resolution No. 01 06 10 of SMUD, duly adopted at a meeting of SMUD on June 21, 2001, and amended and supplemented from time to time in accordance with the terms thereof.

“*Subordinated Bonds*” has the meaning set forth in the Note Resolution.

*“Swap Contract”* means any and all interest rate swap transactions or any other similar interest rate hedging transactions that hedge the interest rate on securities or other obligations issued by or on behalf of SMUD (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement.

*“Taxable Applicable Spread”* has the meaning set forth in the Fee Agreement.

*“Taxable Daily SOFR Rate”* means a per annum rate of interest equal to the sum of the Taxable Applicable Spread *plus* Daily SOFR. Upon the occurrence and during the continuance of an Event of Default, the Taxable Daily SOFR Rate shall equal the Default Rate.

*“Taxable Date”* means the date on which interest on any Tax-Exempt Loan or Tax-Exempt Note is first includable in the gross income of any holder thereof (including, without limitation, the Bank) as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

*“Taxable Loan”* means a Loan that is identified as a Taxable Loan in the Notice of Borrowing or Notice of Conversion, or a Term Loan that refunded one or more Loans which were Taxable Loans.

*“Taxable Note”* means the Sacramento Municipal Utility District Taxable Revolving Note (PNC Revolving Credit Agreement), such note to be executed and delivered to the Bank on the Closing Date in the form of Exhibit A attached hereto with appropriate insertions, executed and delivered by SMUD, as the same may be amended, modified, restated or supplemented from time to time by written instrument executed by the Bank and SMUD.

*“Taxable Period”* has the meaning set forth in Section 2.13 hereof.

*“Taxable Rate”* means, with respect to a Taxable Period, the product of (i) the interest rate on the applicable Tax-Exempt Loan or Tax-Exempt Note during such period and (ii) the quotient of (A) one divided by (B) one minus the then current Maximum Federal Corporate Tax Rate.

*“Tax-Exempt Applicable Spread”* has the meaning set forth in the Fee Agreement.

*“Tax-Exempt Daily SOFR Rate”* means a per annum rate of interest equal to the sum of (a) the Tax-Exempt Applicable Spread *plus* (b) the product of (i) Daily SOFR multiplied by (ii) 0.81. Upon the occurrence and during the occurrence of an Event of Default, the Tax-Exempt Daily SOFR Rate shall equal the Default Rate.

*“Tax-Exempt Loan”* means a Loan that is identified as a Tax-Exempt Loan in the Notice of Borrowing, or a Term Loan that refunded one or more Loans which were Tax-Exempt Loans.

*“Tax-Exempt Note”* means the Sacramento Municipal Utility District Tax-Exempt Revolving Note (PNC Revolving Credit Agreement), such note to be executed and delivered to the Bank on the Closing Date in the form of Exhibit B attached hereto with appropriate insertions,

executed and delivered by SMUD, as the same may be amended, modified, restated or supplemented from time to time by written instrument executed by the Bank and SMUD.

*“Taxes”* means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

*“Term Loans”* has the meaning set forth in Section 2.22(a) hereof.

*“Term SOFR Administrator”* means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Bank in its reasonable discretion).

*“Term SOFR Reference Rate”* means the forward-looking term rate based on SOFR.

*“Termination Date”* means the Facility Maturity Date or, if earlier, the date on which the Commitment is terminated or permanently reduced to zero in accordance with the terms hereof.

*“U.S. Government Securities Business Day”* means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; *provided*, that for purposes of notice requirements in Section 2.2, in each case, such day is also a Business Day.

*“2024 Financial Statements”* means the audited financial statements of SMUD for the Fiscal Year ended December 31, 2024.

*Section 1.2. Incorporation of Certain Definitions by Reference.* Each capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the Note Resolution and, if not defined therein, in the Master Bond Resolution or the Subordinated Bond Resolution, as applicable.

*Section 1.3. Accounting Terms and Determinations.* All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles.

*Section 1.4. Interpretation.* The following rules shall apply to the construction of this Agreement and the Fee Agreement unless the context requires otherwise: (a) the singular includes the plural, and the plural the singular; (b) words importing any gender include the other gender and the neuter gender; (c) references to statutes are to be construed as including all statutory provisions consolidating, and all regulations promulgated pursuant to, such statutes; (d) references to “writing” include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation”; (f) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent

amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (h) article and section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; and (i) unless otherwise indicated, references to Persons include their respective permitted successors and assigns.

*Section 1.5. Benchmark Replacement Notification; Rates.* Section 2.12 of this Agreement provides a mechanism for determining an alternative rate of interest in the event that any Benchmark is no longer available or in certain other circumstances. The Bank does not warrant or accept any responsibility for and shall not have any liability with respect to, (a) the continuation of, administration of, submission of or calculation of, or any other matter related to, any Benchmark or any component definition thereof or rates referred to in the definition thereof, or any alternative or successor rate thereto, or replacement rate therefor (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, such Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Bank and its affiliates or other related entities may engage in transactions that affect the calculation of any Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to SMUD or any other person or entity. The Bank may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to SMUD, the Bank or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

## ARTICLE TWO

### THE CREDIT

#### *Section 2.1. Commitment to Lend.*

(a) *Loans.* During the Revolving Credit Period, the Bank agrees, on the terms and conditions set forth in this Agreement, to make revolving loans to SMUD pursuant to this Section from time to time in amounts such that the aggregate principal amount of Loans by the Bank at any one time outstanding shall not exceed the amount of the Commitment; *provided, however,* that after giving effect to any Borrowing, the outstanding Extensions of Credit shall not exceed the Commitment. Within the foregoing limit and subject to the terms and conditions of Section 2.2 hereof, SMUD may borrow under this subsection (a), repay or, to the extent permitted by Section 2.9 hereof, prepay, the Loans and re-borrow at any time during the Revolving Credit Period under this subsection (a).

(b) *Extension of Revolving Credit Period.* (i) SMUD may from time to time request the Bank to extend the then current Facility Maturity Date for a period as agreed to by SMUD and the Bank. If the Bank, in its sole discretion, elects to extend the Facility Maturity Date then in effect, they shall deliver to SMUD within 30 days of receiving a request, a written notice of extension (herein referred to as a “*Notice of Extension*”) designating the date to which the Facility Maturity Date is being extended. Such extension of the Facility Maturity Date shall be effective, after receipt of such Notice of Extension, on the Business Day following the date of delivery of such Notice of Extension, and thereafter all references in this Agreement to the Facility Maturity Date shall be deemed to be references to the date designated as such in the most recent Notice of Extension delivered to SMUD. Any date to which the Facility Maturity Date has been extended in accordance with this Section 2.1(b) may be extended in like manner. If the Bank fails to provide SMUD with a Notice of Extension as provided hereinabove, the Bank shall be deemed not to have consented to SMUD’s request. The Bank shall use commercially reasonable efforts to promptly notify SMUD if it will not extend the Facility Maturity Date, but the Bank’s failure to do so shall be deemed a denial of the extension request.

(ii) Notwithstanding the foregoing, it is understood and agreed that the foregoing provisions are intended for the convenience of the parties only and shall in no respect prohibit the parties from agreeing to extend the Revolving Credit Period under other circumstances or at other times. In the event the Revolving Credit Period is extended under any other circumstances, the Bank shall give prompt written notice thereof to SMUD.

(iii) If the Revolving Credit Period is extended, whether pursuant to subsection (i) above or otherwise, such extension shall be conditioned upon the prompt preparation, execution and delivery of documentation, satisfactory to SMUD and the Bank and their respective counsel.

*Section 2.2. Method of Borrowing, Continuing or Converting Loans; Account to Which Proceeds of Loans to Be Credited.* (a)(i) In the case of any Borrowing, SMUD shall give the Bank notice in the form of Exhibit C hereto, executed by an Authorized SMUD Representative (a “*Notice of Borrowing*”), and SMUD shall telephonically confirm the Bank’s receipt of such Notice of Borrowing, by not later than 11:00 a.m. (Pacific time) on any Business Day, specifying:

(A) the date of such Borrowing, which shall be a Business Day during the Revolving Credit Period that is at least two (2) U.S. Government Securities Business Days following the Bank’s receipt of such Notice of Borrowing,

(B) the aggregate amount of such Borrowing (which shall not exceed the difference between (i) the amount of the Commitment and (ii) the aggregate principal amount of Extensions of Credit then outstanding),

(C) whether such Borrowing will be a Taxable Loan or a Tax-Exempt Loan, and

(D) that the following items are attached and delivered to Note Counsel, if the Borrowing is a Tax-Exempt Loan, a tax certificate or supplement to an existing tax

certificate, including a completed Form 8038-G, relating to such Borrowing, in each case in a form acceptable to Note Counsel.

(ii) SMUD may convert any Tax-Exempt Loan to a Taxable Loan, only upon two (2) U.S. Government Securities Business Days prior written notice by giving appropriate notice to the Bank prior to 11:00 a.m. (Pacific time), on such required prior U.S. Government Securities Business Day in the form of Exhibit D hereto with blanks appropriately completed (each, a “*Notice of Conversion*”).

(b) Subject to the provisions of subsection (a) of this Section 2.2, by not later than 3:00 p.m. (Pacific time) on the date of each Borrowing, the Bank shall, subject to satisfaction of the requirements of Section 2.2 and Article Three hereof, wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to SMUD on the Borrowing date specified in the Notice of Borrowing, so long as such Borrowing date occurs during the Revolving Credit Period and is at least two (2) U.S. Government Securities Business Days following the Bank’s receipt of such Notice of Borrowing, as specified in such Notice of Borrowing, in immediately available funds, an amount equal to the Loan thereby requested. The Bank shall wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to the following account: Account Name: [\_\_\_\_\_], Bank Name: [\_\_\_\_\_], ABA Number: [\_\_\_\_\_], Account Number: [\_\_\_\_\_]; *provided, however,* that SMUD may, from time to time, change such account by written notice to the Bank, executed by an Authorized SMUD Representative, given to the Bank at its address referred to in Section 7.2 hereof.

(c) The Bank shall not be obligated to honor more than one Borrowing with respect to a Taxable Loan or more than one Borrowing with respect to a Tax-Exempt Loan on any Business Day.

(d) Each Loan shall be in the principal amount requested by SMUD pursuant to each notice in the form of Exhibit C hereto but in any event in a minimum principal amount of \$100,000 or such greater amount which is an integral multiple of \$100,000 in excess thereof.

*Section 2.3. Maturity of Loans and Term Loans.* (a) Each Loan included in any Borrowing shall mature, and the principal amount thereof (together with all accrued and unpaid interest therein) shall be due and payable by SMUD, on the Facility Maturity Date or such earlier date on which all Loans or the related Loans become due and payable in accordance with the terms hereof.

(b) The Term Loans shall mature, and the principal amount thereof (together with all accrued and unpaid interest thereon) shall be due and payable by SMUD, on the Amortization End Date or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof.

*Section 2.4. Interest Rates.* (a) Subject to subsection (d) below, and Section 2.15 hereof, each Loan (other than a Term Loan) which is a Taxable Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is advanced until it is paid in full,

at a rate per annum equal to the Taxable Daily SOFR Rate, and such interest shall be payable by SMUD on each Interest Payment Date and on the Termination Date.

(b) Subject to subsections (d) and (f) below, and Section 2.15 hereof, each Loan (other than a Term Loan) which is a Tax-Exempt Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is advanced until it is paid in full, at a rate per annum equal to the Tax-Exempt Daily SOFR Rate, and such interest shall be payable by SMUD on each Interest Payment Date and on the Termination Date.

(c) Interest on the Tax-Exempt Loans is to be excluded from gross income for federal income tax purposes. Interest on Taxable Loans, Alternate Rate Loans and other amounts owing hereunder (other than Tax-Exempt Loans) is to be includable in the Bank's gross income for federal income tax purposes.

(d) The Bank shall determine the applicable interest rate for the Loans in accordance with the terms of this Agreement while such Loan is outstanding. Interest on each Loan shall accrue each day such Loan is outstanding commencing on and including the date such Loan is advanced by the Bank hereunder until such Loan is paid in full. Notwithstanding the foregoing, (i) with respect to a Loan designated to bear interest with respect to the Taxable Daily SOFR Rate that is advanced pursuant to new Borrowing, the rate for such Loan shall be the same rate as for all outstanding Loans bearing interest with respect to the Taxable Daily SOFR Rate and (ii) with respect to a Loan designated to bear interest with respect to the Tax-Exempt Daily SOFR Rate that is advanced pursuant to new Borrowing, the rate for such Loan shall be the same rate as for all outstanding Loans bearing interest with respect to the Tax-Exempt Daily SOFR Rate.

(e) *Reserved.*

(f) Upon a Determination of Taxability, all Tax-Exempt Loans shall bear interest at the Taxable Rate.

(g) Subject to Section 2.15 hereof, the Term Loans shall bear interest on the outstanding principal amount thereof, for each date from the date of extension of such Term Loan until it becomes due, at a rate per annum equal to the Bank Rate. Such interest shall be payable by SMUD on each Interest Payment Date and on the Amortization End Date (or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof).

*Section 2.5. Fees.* (a) SMUD hereby agrees to pay and perform its obligations provided for in the Fee Agreement, including the payment by SMUD to the Bank of the nonrefundable Commitment Fees and the other fees, expenses and payments described in the Fee Agreement at the times, on the dates and in the amounts specified in the Fee Agreement, the terms of such Fee Agreement being incorporated herein by reference as if fully set forth herein. Any references herein or in any other document to the Commitment Fee and such other fees, expenses and payments owed to the Bank hereunder without specific reference to the Fee Agreement shall be read so as to include the Fee Agreement, and any reference to this Agreement shall be deemed to include a reference to the Fee Agreement. The Fee Agreement and this Agreement shall be

construed as one agreement between SMUD and the Bank and all obligations under the Fee Agreement shall be construed as obligations hereunder.

(b) If SMUD shall fail to pay any amount payable hereunder and/or under the Fee Agreement as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate and shall be payable by SMUD on demand.

(c) SMUD shall pay within thirty (30) days after demand any amounts advanced by or on behalf of the Bank to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Program Document, together with interest at the Default Rate.

*Section 2.6. The Revolving Notes.* (a) All Taxable Loans, L/C Obligations and other Obligations (other than Tax-Exempt Loans) shall be made against and evidenced by the Taxable Note. All Taxable Loans, L/C Obligations and other Obligations (other than Tax-Exempt Loans) and all payments and prepayments on account of the principal of and interest on each Taxable Loan, L/C Obligations and other Obligation (other than Tax-Exempt Loans) shall be recorded by the Bank on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts payable by SMUD hereunder and under the Taxable Note.

(b) All Tax-Exempt Loans shall be made against and evidenced by the Tax-Exempt Note. All Tax-Exempt Loans and all payments and prepayments on account of the principal of and interest on each Tax-Exempt Loan shall be recorded by the Bank on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts payable by SMUD hereunder and under the Tax-Exempt Note.

(c) SMUD's obligations to repay each Loan, Term Loan and the other Obligations and to pay interest thereon as provided herein shall be evidenced and secured by the related Revolving Note, and SMUD shall pay amounts under the related Revolving Note on each date on which SMUD is required to make a principal payment on the related Loan, Term Loan and other Obligations, as applicable, in an amount equal to the Loan, Term Loan and the other Obligations, as applicable, payment due on such date. The payment of the principal of and interest on a Revolving Note shall constitute payment of the principal of and interest on the related Loans, Term Loan and the other Obligations, as applicable, and the payment of the principal of and interest on the Loans, Term Loan and the other Obligations, as applicable, shall constitute the payment of principal and interest on the related Revolving Note and the failure to make any payment on any Loan, Term Loan and the other Obligations, as applicable, when due shall be a failure to make a payment on the related Revolving Note and the failure to make any payment on the related Revolving Note when due shall be a failure to make a payment on the related Loan, Term Loan and the other Obligations, as applicable.

*Section 2.7. Optional Termination or Reduction of Commitment.* During the Revolving Credit Period, SMUD may, upon at least three Business Days' notice to the Bank, (i) terminate the Commitment at any time, if no Loans and L/C Obligations are outstanding at such time, or (ii) reduce the Commitment from time to time by an aggregate amount of \$1,000,000 or any larger integral multiple of \$100,000, *provided*, that, after giving effect to such reduction of the

Commitment, the Commitment shall be not less than the amount of the aggregate outstanding principal amount of the Extensions of Credit.

*Section 2.8. Mandatory Termination or Reduction of Commitment.* (a) The Commitment shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon and all other amounts payable hereunder) shall be due and payable on such date, unless such Loans are converted to Term Loans as provided in Section 2.22 hereof.

(b) If at any time an Event of Default shall have occurred and be continuing, the Bank may deliver a written notice to that effect to SMUD, and the Commitment shall immediately terminate.

(c) In the event and on such occasion that the principal amount of outstanding Extensions of Credit exceeds the Commitment, SMUD shall prepay the Loans or otherwise reduce the outstanding Extensions of Credit in an aggregate amount equal to such excess.

*Section 2.9. Optional Prepayments.* SMUD may, upon at least one Business Days' notice to the Bank, prepay any Borrowing in whole at any time, or from time to time in part in amounts aggregating \$1,000,000 or any larger integral multiple of \$100,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment.

*Section 2.10. Reserved.*

*Section 2.11. Computation of Interest and Fees.* Interest with respect to Loans bearing interest at the Tax-Exempt Daily SOFR Rate or the Taxable Daily SOFR Rate, and all fees payable hereunder and under the Fee Agreement, shall be calculated on the basis of a 360-day year based upon the actual number of days elapsed, and interest with respect to Alternate Rate Loans and Term Loans shall be calculated on the basis of a 365 or 366 day year, as applicable, and the actual number of days elapsed.

<sup>1</sup>*Section 2.12. Benchmark Replacement.* (a) The Bank shall have the right to make any technical, administrative or operational changes from time to time that the Bank decides may be appropriate to reflect the adoption and implementation of SOFR or any other Benchmark (as defined below) or to permit the use and administration thereof by the Bank in a manner substantially consistent with market practice or in such other manner as the Bank decides is reasonably necessary. Notwithstanding anything to the contrary herein or in any other Program Document, any amendments implementing such technical, administrative or operational changes will become effective without any further action or consent of SMUD. The Bank shall provide notice to SMUD of any such amendment reasonably promptly after such amendment becomes effective.

If the applicable rate under this Agreement is based on a Benchmark and the Bank determines (which determination shall be final and conclusive) that (A) such Benchmark cannot be determined pursuant to its definition other than as a result of a Benchmark Transition Event (as

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<sup>1</sup> We are confirming that the Bank's internal counsel is comfortable with this Section

defined below), (B) such Benchmark does not adequately and fairly reflect the cost to the Bank of funding, establishing or maintaining any Loan or (C) any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impracticable for the Bank to make or maintain or fund loans based on that Benchmark, then the Bank shall give notice thereof to SMUD. Thereafter, until the Bank notifies SMUD that the circumstances giving rise to such determination no longer exist, the interest rate on all Loans outstanding under this Agreement shall be the Alternate Rate.

Notwithstanding anything to the contrary herein or in any other Program Document, if the Bank determines (which determination shall be final and conclusive) that a Benchmark Transition Event has occurred with respect to a Benchmark, the Bank may amend this Agreement to replace such Benchmark with a Benchmark Replacement (as defined below); and any such amendment shall be in writing, shall specify the date that the Benchmark Replacement is effective and will not require any further action or consent of SMUD. Until the Benchmark Replacement is effective, amounts bearing interest with reference to a Benchmark will continue to bear interest with reference to such Benchmark as long as such Benchmark is available, and otherwise such amounts automatically will bear interest at the Alternate Rate.

For purposes of this Section 2.12, the following terms have the meanings set forth below:

*“Benchmark”* means, at any time, any interest rate index then used in the determination of an interest rate under the terms of this Agreement. Once a Benchmark Replacement becomes effective under this Agreement, it is a Benchmark. As of the Closing Date, the Benchmark under this Agreement is Daily SOFR.

*“Benchmark Replacement”* means, for any Benchmark, the sum of (a) an alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case that has been selected by the Bank as the replacement for such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the official sector or any official *sector*-sponsored committee or working group, for U.S. dollar-denominated credit facilities at such time; *provided* that, if the Benchmark Replacement as determined pursuant to the foregoing would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Program Documents.

*“Benchmark Transition Event”* means a public statement or publication by or on behalf of the administrator of a Benchmark, the regulatory supervisor of such administrator, the Board of Governors of the Federal Reserve System, NYFRB, an insolvency official or resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that

(a) such administrator has ceased or will cease to provide such Benchmark permanently or indefinitely, provided that at the time of such statement or publication there is no successor administrator that will continue to provide such Benchmark or (b) such Benchmark is or will no longer be representative.

(b) *Favorable Opinion of Note Counsel.* If any Tax-Exempt Loan or Tax-Exempt Loans are then outstanding, SMUD shall cause a Favorable Opinion of Note Counsel to be delivered each time a new Benchmark Replacement is determined for calculation of the Tax-Exempt Daily SOFR Rate.

*Section 2.13. Determination of Taxability.* (i) In the event a Determination of Taxability occurs, SMUD hereby agrees to pay to the Bank and each Noteholder within thirty (30) days of demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Bank and such Noteholder on the Tax-Exempt Note or Tax-Exempt Loan, without duplication, during the period for which interest on the such Tax-Exempt Note or Tax-Exempt Loan is included in the gross income of the Bank and such Noteholder if the Tax-Exempt Note or Tax-Exempt Loan had borne interest at the Taxable Rate, beginning on the Taxable Date (the “*Taxable Period*”), and (B) the amount of interest actually paid to the Bank and such Noteholder during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Bank and such Noteholder as a result of interest on the Tax-Exempt Note or Tax-Exempt Loan becoming included in the gross income of the Bank and such Noteholder, together with any and all reasonable attorneys’ fees, court costs, or other reasonable out-of-pocket costs incurred by the Bank and such Noteholder in connection therewith;

(ii) Subject to the provisions of clause (iii) below, the Bank and such Noteholder shall afford SMUD the opportunity, at SMUD’s sole cost and expense, to contest (1) the validity of any amendment to the Internal Revenue Code which causes the interest on the Tax-Exempt Note or Tax-Exempt Loan to be included in the gross income of Bank and such Noteholder or (2) any challenge to the validity of the tax exemption with respect to the interest on the Tax-Exempt Note or Tax-Exempt Loan, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); *provided* that, in no event shall the Bank or a Noteholder be required to make available its tax returns (or any other information relating to its taxes that it deems confidential) to SMUD or any other Person; and

(iii) As a condition precedent to the exercise by SMUD of its right to contest set forth in clause (ii) above, SMUD shall, upon reasonable demand, within thirty (30) days, reimburse the Bank and such Noteholder for any and all reasonable expenses (including reasonable attorneys’ fees for services that may be required or desirable, as determined by the Bank and such Noteholder in its reasonable discretion) that may be incurred by the Bank and such Noteholder in connection with any such contest, and shall, within thirty (30) days from demand, reimburse Bank and such Noteholder for any and all penalties or other charges payable by the Bank or such Noteholder for failure to include such interest in its gross income.

(iv) Without prejudice to the survival of any other agreement of SMUD hereunder, the agreements and obligations of SMUD contained in this Section 2.13 shall survive the termination of this Agreement and the payment in full of the Obligations of SMUD thereunder and hereunder.

*Section 2.14. Payment Due on Non-Business Day to Be Made on Next Business Day.* If any sum becomes payable pursuant to this Agreement or the Fee Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

*Section 2.15. Default Rate.* Upon the occurrence and during the continuance of an Event of Default, all Obligations payable hereunder (for avoidance of doubt, excluding any fees which are not yet due and payable) shall bear interest until paid in full at a rate per annum equal to the Default Rate.

*Section 2.16. Net of Taxes, Etc.* (a) Any and all payments to the Bank or any Noteholder by SMUD hereunder or with respect to the Loans, Term Loans and the other Obligations shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If SMUD shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Loans, Term Loans and the other Obligations, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Bank or such Noteholder receives an amount equal to the sum it would have received had no such deductions been made, (ii) SMUD shall make such deductions and (iii) SMUD shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If SMUD shall make any payment under this Section to or for the benefit of the Bank or such Noteholder with respect to Indemnified Taxes and if the Bank or such Noteholder shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Bank or such Noteholder to any taxing jurisdiction in the United States of America then the Bank or such Noteholder shall pay to SMUD an amount equal to the amount by which such other taxes are actually reduced; *provided*, that the aggregate amount payable by the Bank or such Noteholder pursuant to this sentence shall not exceed the aggregate amount previously paid by SMUD with respect to such Indemnified Taxes. In addition, SMUD agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Loans, Term Loans and the other Obligations or from the execution or delivery of this Agreement or the Revolving Notes, or otherwise with respect to this Agreement, the Loans, the Term Loans or the other Obligations (hereinafter referred to as “*Other Taxes*”). The Bank or such Noteholder shall provide to SMUD within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by SMUD to the Bank or such Noteholder hereunder; *provided*, that the Bank or such Noteholder’s failure to send such notice shall not relieve SMUD of its obligation to pay such amounts hereunder. SMUD may conduct a reasonable contest of any such Indemnified Taxes with the prior written consent of the Bank, which consent shall not be unreasonably withheld or delayed; *provided*, that SMUD shall, on demand, immediately reimburse the Bank for any and all expenses (including attorneys’ fees for services that may be required or desirable, as determined by the Bank in its sole discretion) that may be incurred by the Bank in connection with any such contest.

(b) SMUD shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Bank or such Noteholder for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Bank or such Noteholder or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided*, that SMUD; shall not be obligated to pay the Bank or such Noteholder for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Bank or such Noteholder's gross negligence or willful misconduct. The Bank or such Noteholder agrees to give notice to SMUD of the assertion of any claim against the Bank or such Noteholder relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided*, that the Bank or such Noteholder's failure to notify SMUD promptly of such assertion shall not relieve SMUD of its obligation under this Section. Payments by SMUD pursuant to this Section shall be made within thirty (30) days from the date the Bank or such Noteholder makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank or such Noteholder agrees to repay to SMUD any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by SMUD pursuant to this Section received by the Bank or such Noteholder for Indemnified Taxes or Other Taxes that were paid by SMUD pursuant to this Section and to contest, with the cooperation and at the expense of SMUD, any such Indemnified Taxes or Other Taxes which the Bank or such Noteholder or SMUD reasonably believes not to have been properly assessed.

(c) Within thirty (30) days after the date of any payment of Indemnified Taxes by SMUD, SMUD shall furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof.

(d) Notwithstanding anything contained in paragraphs (a) or (b) of this Section, SMUD shall have no liability to the Bank or any Noteholder with respect to any Indemnified Taxes to the extent incurred or imposed on the Bank or any Noteholder more than one hundred eighty (180) days prior the date written notification thereof is given to SMUD by the Bank (the "Cut-Off Date"), except where (A) the Bank had no actual knowledge of the action resulting in such Indemnified Taxes as of the Cut-Off Date or (B) such Indemnified Taxes apply to the Bank retroactively to a date prior to the Cut-Off Date.

(d) The obligations of SMUD under this Section 2.16 shall survive the termination of this Agreement and the repayment of all Obligations hereunder for a period of one hundred eighty (180) days after such termination and final repayment; *provided, however*, that in the event any taxing jurisdiction imposes Indemnified Taxes on the Bank or any Noteholder after the end of such 180 day period but retroactively to a date prior to the end of such 180 day period, as described in this Section 2.16, the Bank may impose such Indemnified Taxes on SMUD in accordance with the terms of this Section 2.16; *provided, further, however*, that the foregoing proviso shall only apply to any Indemnified Taxes imposed not later than two (2) years after the date this Agreement terminates and all Obligations have been paid in full.

*Section 2.17. Increased Costs.* (a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Bank or any Recipient;

(ii) subject any Recipient to any Taxes of any kind whatsoever with respect to this Agreement, or change the basis of taxation of payments to the Bank or such Recipient in respect thereof (except for Indemnified Taxes covered by Section 2.16 hereof and the imposition of, or any change in the rate of any Excluded Tax payable by the Bank or any Recipient); or

(iii) impose on the Bank or any Recipient any other condition, cost or expense affecting this Agreement or the Fee Agreement or any Letter of Credit or any participation therein;

and the result of any of the foregoing shall be to increase the cost to the Bank or such Recipient related to issuing or maintaining this Agreement, the Commitment or any Loan or Term Loan or Letter of Credit, or to reduce the amount of any sum received or receivable by the Bank or such Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of the Bank, SMUD shall promptly pay to the Bank (for the Bank or such Recipient, as the case may be) such additional amount or amounts as will compensate the Bank or such Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Bank or any Recipient determines that any Change in Law affecting the Bank or such Recipient or the Bank's or such Recipient's parent or holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on the Bank's or such Recipient's capital or liquidity or the capital or liquidity of such Bank's or such Recipient's parent or holding company holding, if any, as a consequence of this Agreement, or for maintaining this Agreement, the Commitment or any Loan or Term Loan, to a level below that which the Bank or such Recipient or the Bank's or such Recipient's parent or holding company could have achieved but for such Change in Law (taking into consideration the Bank's or such Recipient's policies and the policies of the Bank's or such Recipient's parent or holding company with respect to capital or liquidity adequacy), then from time to time upon written request of the Bank SMUD shall promptly pay to the Bank (for the Bank or such Recipient, as the case may be) such additional amount or amounts as will compensate the Bank or such Recipient or the Bank's or such Recipient's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Bank or a Recipient setting forth the amount or amounts necessary to compensate the Bank or any such Recipient or the Bank's or any such Recipient's parent or holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to SMUD, shall be conclusive absent manifest error. SMUD shall pay the Bank or any such Recipient, as the case may be, the amount shown as due on any such certificate within thirty (30) days after receipt thereof. Each Recipient shall have the benefits of this Section 2.17, but shall not be entitled to receive any greater payment under such Section than the Bank would have been entitled to receive in connection with the rights transferred.

(d) *Delay in Requests.* Failure or delay on the part of the Bank or any such Recipient to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Bank's or such Recipient's right to demand such compensation; *provided* that SMUD shall not be required to compensate the Bank or such Recipient pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six (6) months prior to the date that the Bank notifies SMUD of the Change in Law giving rise to such increased costs or reductions and of the Bank's or such Recipient's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six (6) month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) *Survival.* The obligations of SMUD under this Section 2.17 shall survive the termination of this Agreement and the repayment of all Obligations hereunder for a period of one hundred eighty (180) days after such termination and final repayment; *provided, however,* that in the event any Change in Law provides for retroactive increased costs or retroactive imposition of capital adequacy or liquidity requirements, as described in this Section 2.17, the Bank or a Recipient may impose such costs on SMUD in accordance with the terms of this Section 2.17; *provided, further, however,* that the foregoing proviso shall only apply to any Change in Law occurring not later than two (2) years after the date this Agreement terminates and all Obligations have been paid in full.

*Section 2.18. Margin Regulations.* No portion of the proceeds of any Loans, Term Loans or drawing under a Letter of Credit shall be used by SMUD (or any other Person on behalf of SMUD) for the purpose of "purchasing" or "carrying" any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U, Regulation T, or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of said Board of Governors or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of such Loans, Term Loans or drawing under the Letter of Credit and such use of proceeds.

*Section 2.19. Maximum Rate; Payment of Fee.* Anything in this Agreement to the contrary notwithstanding, if the rate of interest due hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof without regard to the Maximum Rate and (B) the Maximum Rate (the "*Excess Interest*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time SMUD shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. To the extent permitted by law, upon the termination of the Commitment and/or this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, SMUD shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

*Section 2.20. Security for Obligations.* This Agreement constitutes the Credit Agreement (as defined in the Note Resolution) under the Note Resolution and has all rights and benefits thereof. In order to secure the timely payment of all Obligations and to secure the performance and observance of all of the covenants, agreements and conditions contained in this Agreement and the Fee Agreement, SMUD has pledged the Available Revenues to the Bank (for the benefit of the Bank and any Affiliate of the Bank to whom any Obligation is at any time owed), pursuant to and on the terms and subject to the conditions set forth in the Note Resolution. The pledge of Available Revenues under the Note Resolution constitutes a valid pledge of and charge and lien upon the Available Revenues, has attached and is effective, binding, and enforceable against SMUD, its successors, purchasers of any of the Available Revenues, creditors, and all others asserting rights therein to the extent set forth in, and in accordance with, the Note Resolution, irrespective of whether those parties have notice of the lien on, security interest in and pledge of the Available Revenues and without the need for any physical delivery, recordation, filing or further act.

*Section 2.21. Method of Payment; Etc.* All payments to be made by SMUD under this Agreement and the Fee Agreement shall be made at the Payment Account not later than 4:00 P.M. (New York time) on the date when due and shall be made in lawful money of the United States of America in freely transferable and immediately available funds. All payments received by the Bank after 4:00 P.M. (New York time) shall be deemed to have been made on the next succeeding Business Day and any applicable interest or fees shall continue to accrue.

*Section 2.22. The Term Loans.* (a) *Generally.* (i) On the Facility Maturity Date, so long as (A) SMUD shall have delivered to the Bank a written request in the form of Exhibit E hereto no later than thirty (30) days prior to the Facility Maturity Date, (B) immediately before and as a result of giving effect to such conversion, no Credit Default or Credit Event of Default shall have occurred and be continuing on the Facility Maturity Date, (C) immediately before and as a result of giving effect to such conversion, (1) there has been no material adverse change in SMUD's business, assets, liabilities, financial condition, results of operations or business prospects which could reasonably be expected to result in a material adverse effect on SMUD's ability to perform its obligations under this Agreement and the Program Documents or the rights, security or interests of the Bank hereunder and under the Program Documents and (2) no event described in clause (b) of the definition of Material Adverse Change shall have occurred on the Facility Maturity Date and (D) the Bank shall not have terminated its obligation to make Term Loans as a result of a Non-Credit Event of Default pursuant to Section 6.2(b) hereof, the Loans, if any, maturing on such date shall be automatically converted to term loans (each a "*Term Loan*" and collectively the "*Term Loans*"), the proceeds of which shall be deemed to have refunded the Loans.

(ii) The Term Loans shall be evidenced by the Taxable Note and the Tax-Exempt Note, as applicable. The Term Loans may be repaid in whole or in part on any Business Day upon prior written notice from SMUD to the Bank.

(b) *Repayment.* SMUD shall pay to the Bank the outstanding principal amount of the Term Loans in equal (as nearly as possible) installments on each Amortization Payment Date and on the Amortization End Date; *provided, however,* that, notwithstanding anything contained herein to the contrary, the entire principal amount of the Term Loans, plus accrued and unpaid interest

thereon, shall be due and payable in full on the Amortization End Date (or such earlier date on which all Term Loans become due and payable in accordance with the terms hereof).

## ARTICLE THREE

### CONDITIONS PRECEDENT

*Section 3.1. Conditions Precedent to the Effectiveness of this Agreement.* As conditions precedent to the obligation of the Bank to establish the Commitment and execute and deliver this Agreement, SMUD shall provide to the Bank on the Closing Date, each in form and substance satisfactory to the Bank and its counsel, Chapman and Cutler LLP (hereinafter, “*Bank’s Counsel*”):

- (i) *Approvals.* The Bank shall have received an executed counterpart of this Agreement duly executed by SMUD and the Bank and an executed original of each Revolving Note and copies of all action taken by SMUD (including, without limitation, any resolution adopted or passed by SMUD in connection therewith) approving the execution and delivery by SMUD of this Agreement, the Fee Agreement, the Revolving Notes and the other Program Documents, in each case, certified by an authorized official of SMUD as complete and correct as of the date hereof.
- (ii) *Incumbency of Officials.* The Bank shall have received an incumbency certificate of SMUD in respect of each of the officials who is authorized to (a) sign this Agreement, the Revolving Notes and the other Program Documents on behalf of SMUD and (b) take actions for SMUD under this Agreement, the Revolving Notes and the other Program Documents.
- (iii) *Opinion of Note Counsel.* The Bank shall have received an opinion of Note Counsel or a reliance letter thereon.
- (iv) *Opinion of Counsel to SMUD.* The Bank shall have received an opinion addressed to the Bank and dated the Closing Date of the general counsel for SMUD, in form and substance satisfactory to the Bank, and addressing (i) SMUD’s existence, (ii) SMUD’s power and authority to enter into this Agreement, the Revolving Notes and the Fee Agreement and to perform its obligations hereunder and thereunder, (iii) SMUD’s execution and delivery of this Agreement, the Revolving Notes and the Fee Agreement, (iv) the enforceability of SMUD’s obligations under this Agreement, the Revolving Notes and the Fee Agreement, (v) that SMUD has obtained all consents necessary to execute, deliver and perform this Agreement, the Revolving Notes and the Fee Agreement, (vi) the execution and delivery of this Agreement, the Revolving Notes and the Fee Agreement by SMUD will not violate any law, order or agreement to which SMUD is subject or to which SMUD is a party, and (vii) there is no litigation pending or threatened against SMUD that would prevent SMUD from executing and delivering this Agreement, the Revolving Notes and the Fee Agreement or performing its obligations hereunder and thereunder.

(v) *Note Resolution and Other Program Documents.* The Bank shall have received (a) a certified copy of the Note Resolution, the Master Bond Resolution (or a certified copy of the annotated version thereof) and the Subordinated Bond Resolution (or a certified copy of the annotated version thereof) which have been adopted prior to the Closing Date, all certified by an authorized officer of SMUD as being in full force and effect and (b) fully executed or certified copies, as applicable, of all other Program Documents.

(vi) *Financial Information.* The Bank shall have received copies of any financial information of SMUD that the Bank may reasonably request.

(vii) *Legality; Material Adverse Change.* The Bank shall have determined (in its sole discretion) that (a) neither the making of any Loans nor the consummation of any of the transactions contemplated by the Note Resolution, the Revolving Notes, this Agreement or any other Program Document will violate any law, rule, guideline or regulation applicable to SMUD, the Bank, the Commitment, the Revolving Notes or this Agreement, and (b) no Material Adverse Change shall have occurred since December 31, 2024.

(viii) *Fees, Etc.* The Bank shall have received payment of the fees, costs and expenses payable on the Closing Date.

(ix) *Revolving Notes.* The Bank shall have received executed Revolving Notes.

(x) *Closing Certificate.* The Bank shall have received a certificate from SMUD executed by the Authorized SMUD Representative, dated the Closing Date, stating that:

(a) the representations and warranties of SMUD contained in this Agreement and each certificate furnished or delivered by SMUD to the Bank pursuant hereto are true and correct on and as of the Closing Date as though made on and as of such date;

(b) no “default” or “event of default” under any Program Document to which SMUD is a party and no Default or Event of Default has occurred and is continuing or would result from the entering into or performance under this Agreement and the other Program Documents; and

(c) except as has been disclosed to the Bank in writing prior to the Closing Date, there has been no Material Adverse Change since December 31, 2024.

(xi) *Other Documents.* The Bank shall have received such other documents, certificates, and opinions as the Bank or the Bank’s counsel shall have reasonably requested.

In addition to the foregoing conditions, as a condition to its entry into this Agreement, SMUD shall have received an opinion of Bank's Counsel as to the Bank's execution and delivery of this Agreement and the enforceability of the Bank's obligations under this Agreement.

*Section 3.2. Borrowings During the Revolving Credit Period and Letters of Credit.* The obligation of the Bank to make a Loan on the occasion of any Borrowing or to convert any Tax-Exempt Loan to a Taxable Loan or to issue any Letter of Credit on or prior to the Termination Date is subject to the satisfaction of the following conditions:

- (a) receipt by the Bank of a Notice of Borrowing (or appropriate notice regarding continuation or conversion) as required by Section 2.2 hereof or application for Letter of Credit, as applicable;
- (b) immediately after such Borrowing, continuation or conversion or the issuance of such Letter of Credit, the aggregate outstanding principal amount of all Extensions of Credit will not exceed the amount of the Commitment;
- (c) immediately before and as a result of giving effect to such Borrowing, continuation or conversion or issuance of such Letter of Credit, no Credit Default, Credit Event of Default, Optional Termination Event or Rating Event shall have occurred and be continuing;
- (d) immediately before and as a result of giving effect to such Borrowing, continuation or conversion or issuance of such Letter of Credit, (1) there has been no material adverse change in SMUD's business, assets, liabilities, financial condition, results of operations or business prospects which could reasonably be expected to result in a material adverse effect on SMUD's ability to perform its obligations under this Agreement and the Program Documents or the rights, security or interests of the Bank hereunder and under the Program Documents and (2) no event described in clause (b) of the definition of Material Adverse Change shall have occurred; and
- (e) immediately before such Borrowing, continuation or conversion or issuance of such Letter of Credit, the Bank shall not have terminated its obligation to make Loans as a result of a Non-Credit Event of Default pursuant to Section 6.2(b) hereof.

Each Borrowing, continuation or conversion hereunder shall be deemed to be a representation and warranty by SMUD on the date of such Borrowing, continuing or conversion as to the facts specified in clauses (b), (c) and (d) of this Section and that no Default or Event of Default has occurred and is continuing.

*Section 3.3. Each Tax-Exempt Loan Borrowing.* The obligation of the Bank to make each Tax-Exempt Loan hereunder is subject to the satisfaction of the following conditions:

- (a) all conditions set forth in Section 3.2 hereof shall be satisfied prior to the making of such Loan;

(b) the Bank shall have received an executed opinion of Note Counsel addressed to SMUD and with a reliance letter to the Bank, in a form acceptable to the Bank, to the effect that the interest on such Loan is excluded from gross income for federal income tax purposes; and

(c) SMUD shall have executed, and the Bank shall have received an executed copy of a tax certificate or supplement to an existing tax certificate, including a completed Form 8038-G, relating to such Borrowing, in each case in a form acceptable to Note Counsel.

*Section 3.4. No Rating; DTC; Offering Document.* Neither Revolving Note shall be (i) assigned a specific rating by any Rating Agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document, (iv) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent or (v) assigned a CUSIP number.

## ARTICLE FOUR

### REPRESENTATIONS AND WARRANTIES

*Section 4.1. Representations of SMUD.* In order to induce the Bank to establish the Commitment and execute and deliver this Agreement, SMUD represents and warrants to the Bank as follows:

(a) *Existence and Power.* SMUD is a municipal utility district organized and existing under and by virtue of the Act, and is possessed of full powers to own and lease (as lessor and lessee) real and personal property, to own and operate the Electric System, to conduct its other business as presently conducted and to enter into contracts such as this Agreement and the SMUD Program Documents, which powers have been validly exercised in connection with the transactions effected by this Agreement and the SMUD Program Documents.

(b) *Authorization; Contravention; Approvals.* The execution, delivery and performance by SMUD of this Agreement, the Fee Agreement and the SMUD Program Documents and the other documents contemplated hereby and thereby are within the powers of SMUD, have been duly authorized by all necessary actions and (i) do not contravene the Act or any other law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction binding on or affecting SMUD and (ii) except as provided in or contemplated by this Agreement and the Program Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of SMUD. SMUD is not in violation of or in default in any material respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award that would prevent or is reasonably likely to prevent SMUD from performing its obligations under this Agreement or the SMUD Program Documents. SMUD is not in violation of or in default in any material respect under any indenture, agreement, lease, instrument or other contractual restriction and is not in violation of or in default in any respect under any of the SMUD Program

Documents that would prevent or is reasonably likely to prevent SMUD from performing its obligations under this Agreement or the SMUD Program Documents. No Default or Event of Default has occurred and is continuing. All orders, consents and other authorizations or approvals of all Governmental Authorities and all other Persons have been obtained (and no additional authorization, approval or other action by, and no notice to or filing or registration with, any Governmental Authority is required to be made or obtained by SMUD) for the due execution, delivery and performance by SMUD of this Agreement and the SMUD Program Documents.

(c) *Enforceability.* This Agreement and the SMUD Program Documents, and other documents contemplated hereby and thereby to which SMUD is a party or by which it is bound, are legally valid and binding obligations of SMUD enforceable against SMUD in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) general principles of equity; (iii) the exercise of judicial discretion in appropriate cases; and (iv) to the limitations on legal remedies against municipal utility districts in the State of California.

(d) *Litigation.* Except as disclosed in writing to the Bank prior to the Closing Date, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, Governmental Authority or arbitrator pending or, to the best knowledge of SMUD, threatened, against or directly involving SMUD (including, without limitation, the ability of SMUD to establish and collect rates for the generation, transmission and distribution of electric power), affecting the existence of SMUD, the title of any officials to their respective offices or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any Program Document, or in any way contesting or affecting the validity or enforceability of the Revolving Notes, this Agreement, any Program Document or contesting the tax-exempt status of the Tax-Exempt Note, or contesting the powers of SMUD or any authority for the issuance of the Revolving Notes, the execution and delivery of this Agreement or the SMUD Program Documents, nor, to the best, knowledge of SMUD, is there any basis therefor, which, if determined adversely to SMUD (i) would adversely affect the validity or enforceability of, or the authority or ability of SMUD to perform its obligations under, this Agreement, the Fee Agreement or any SMUD Program Documents, (ii) would, in the reasonable opinion of SMUD, have a material adverse effect on the business, financial position or results of operations of SMUD or (iii) would adversely affect the exclusion of interest on the Tax-Exempt Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

(e) *Financial Information.* (i) The audited financial statements of SMUD included in the 2024 Financial Statements, true and correct copies of which have heretofore been delivered or made available to the Bank, fairly present, in conformity with generally accepted accounting principles the financial position of SMUD and its results of operations and changes in financial position at the dates and for the periods indicated.

(ii) Except as has been disclosed in writing to the Bank prior to the Closing Date, since December 31, 2024, there has been no material adverse change in the business, financial position or results of operations of SMUD which could reasonably be expected to result in a material adverse effect on SMUD's ability to perform its obligations hereunder or thereunder or the rights, security or interests of the Bank.

(iii) Except as reflected in the financial statements included in the 2024 Financial Statements or as has been disclosed in writing to the Bank prior to the Closing Date and except for SMUD's obligations set forth in this Agreement and the SMUD Program Documents, there are as of the date hereof no liabilities or obligations with respect to SMUD of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, in the aggregate, would be material to SMUD. SMUD does not know of any basis for the assertion against SMUD of any liability or obligation of any nature whatsoever that is not reflected in the financial statements included in the 2024 Financial Statements or other written disclosure to the Bank delivered prior to the Closing Date which, in the aggregate, could be material to SMUD.

(f) *Disclosure.* No written information furnished by SMUD to the Bank in connection with this Agreement (except information which has been superseded by subsequent information provided by SMUD) includes any untrue statement of a material fact.

(g) *Environmental Matters.* Except as disclosed in writing to the Bank prior to the Closing Date, SMUD has not received notice to the effect that the operations of the Electric System are not in compliance with any of the requirements of applicable Federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case which non-compliance or remedial action could have a Material Adverse Effect.

(h) *Plans.* SMUD currently has a Plan which is in compliance in all respects with the requirements of the applicable laws of the State of California, including without limitation the obligation to pay contributions on behalf of its employees in accordance therewith, and SMUD has no Plan which is subject to the requirements of ERISA. No condition exists or event or transaction has occurred with respect to any Plan which could reasonably be expected to result in the incurrence by SMUD of any material liability, fine or penalty.

(i) *Regulations U and X.* SMUD is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Loans or Term Loans will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(j) *Tax-Exempt Status.* SMUD has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Tax-Exempt Note from gross income for Federal income tax purposes or the exemption of such interest from State of California personal income taxes.

(k) *Security.* The Note Resolution creates a pledge of the Available Revenues as security for the punctual payment of the interest and principal due with respect to the Revolving Notes, the Parity Notes, the Obligations owed to the Bank hereunder and all Parity Notes Reimbursement Agreements. All actions necessary to create a pledge of the Available Revenues have been duly

and validly taken. SMUD's obligation to pay the Obligations is *pari passu* with its obligation to pay the Revolving Notes, Parity Notes and all Parity Notes Reimbursement Agreements.

(l) *Constitutional Matters.* There is no amendment, or, to the best knowledge of SMUD, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation which has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have Material Adverse Effect.

(m) *No Sovereign Immunity.* SMUD represents that it is not entitled to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself from (i) suit or (ii) jurisdiction of any court because of its status as a political subdivision of the State of California in connection with the enforcement of its obligations under this Agreement, the SMUD Program Documents, and the other documents contemplated by this Agreement.

(n) *Incorporation of Representations and Warranties by Reference.* SMUD hereby makes to the Bank every representation and warranty made by it in SMUD Program Documents, which representations and warranties, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated herein by this reference with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment, modification, termination or replacement of any such representations, warranties and definitions contained in the SMUD Program Documents shall be effective to amend, modify, terminate or replace the representations, warranties and definitions incorporated herein by this reference, without the prior written consent of the Bank. The representations and warranties of SMUD in all of the SMUD Program Documents are true and correct in all material respects.

(o) *No Violation of Usury Laws.* The terms of the Note Resolution regarding the calculation and payment of interest on the Revolving Notes do not violate any applicable usury laws of the State of California and, assuming that the Bank is an exempted class of persons within the meaning of Article 15 of the California Constitution, the terms of this Agreement, the Fee Agreement, and the Revolving Notes regarding the calculation and payment of interest and fees and other amounts due under this Agreement, the Fee Agreement, and the Revolving Notes do not violate any applicable usury laws of the State of California.

(p) *Compliance.* SMUD is in substantial compliance with all laws, ordinances, orders, rules and regulations applicable to it, except to the extent noncompliance could not reasonably be expected to result in a Material Adverse Effect.

(q) *Default.* SMUD is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any SMUD Program Document, the Master Bond Resolution, the Subordinated Bond Resolution or any other resolution, agreement or instrument to which it is a party which could have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

(r) *Insurance.* The properties of SMUD are insured in accordance with the terms of the Master Bond Resolution.

(s) *Taxes.* SMUD has filed any Federal, state and other material tax returns and reports required to be filed, and has paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with generally accepted accounting principles. There is no proposed tax assessment against SMUD that would, if made, have a Material Adverse Effect.

(t) *Casualty.* Neither the business nor the Property of SMUD is currently affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), which could have a Material Adverse Effect.

(u) *Sanctions Concerns; Anti-Corruption Laws.* (i) Neither SMUD, nor, to the knowledge of SMUD, any director, officer, or employee thereof, is (A) currently the subject or target of any Sanctions, (B) included on OFAC's List of Specially Designated Nationals, or (C) located, organized or resident in a Designated Jurisdiction.

(ii) SMUD has conducted its business in compliance with the United States Foreign Corrupt Practices Act of 1977 and other similar anti-corruption legislation applicable in California (collectively, "*Anti-Corruption Laws*").

(iii) SMUD has instituted, maintains, and enforces policies and procedures reasonably designed to prevent activities that could violate applicable Sanctions and Anti-Corruption Laws.

(v) *Anti-Terrorism Laws.* (i) SMUD is not in violation of any laws purporting to prevent money laundering or the financing of terrorism (collectively, "*Anti-Terrorism Laws*"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "*Executive Order*"), the Bank Secrecy Act and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001.

(ii) To the best of SMUD's knowledge, after due care and inquiry, SMUD is not under investigation for an alleged violation of Anti-Terrorism Laws by a governmental authority that enforces such laws.

(iii) Neither SMUD, nor, to the knowledge of SMUD, any of its directors, officers or employees is a Person that is the subject of Sanctions; knowingly directs municipal funds, engages in procurement, or enters into financial transactions that would result in a violation of applicable Sanctions, Anti-Terrorism Laws or Anti-Corruption Laws; or is engaged in a violation of, or is directly or indirectly taking any action that could cause SMUD to be in violation of, applicable Sanctions, Anti-Terrorism Laws or Anti-Corruption Laws. Without limiting the foregoing, SMUD is not any of the following:

- (A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
- (B) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
- (C) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;
- (D) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or
- (E) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“OFAC”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(iii) SMUD is an electrical utility. To its knowledge, SMUD does not

- (A) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (ii)(B) above,
- (B) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or
- (C) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

## ARTICLE FIVE

### COVENANTS

*Section 5.1. Covenants of SMUD.* SMUD will do the following so long as any amounts may be drawn hereunder or any Obligations remain outstanding under this Agreement, unless the Bank shall otherwise consent in writing:

(a) *Reports and Other Information.* SMUD will furnish, or cause to be furnished, at SMUD’s expense to the Bank:

(i) As soon as possible and in any event within five (5) Business Days after the knowledge (actual or constructive) or notice of the occurrence of any Event of Default, a statement of the Authorized SMUD Representative setting forth details of such Event of Default and the action that SMUD proposes to take with respect thereto;

(ii) As soon as available and in any event within two hundred ten (210) days after the end of each Fiscal Year of SMUD, a copy of the audited financial statements of SMUD for such year, including a balance sheet of SMUD as at the end of such Fiscal Year

and the related statements of revenues, expenses and changes in fund balances and statement of cash flows, all in reasonable detail and reported on by a firm of nationally recognized independent certified public accountants, and the report of such firm of independent certified public accountants shall state, without qualification, that such financial statements present fairly the financial position of SMUD as of the end of such Fiscal Year, the results of operations, the changes in fund balances and cash flows of SMUD for such Fiscal Year then ended in conformity with generally accepted accounting principles;

(iii) Simultaneously with the delivery of each set of financial statements referred to in clause (ii) above, a certificate of an Authorized SMUD Representative stating whether there exists on the date of such certificate any Event of Default or Default and, if any Event of Default or Default then exists, setting forth the details thereof and the action that SMUD is taking or proposes to take with respect thereto;

(iv) As soon as available and in any event within 60 days after March 31, June 30 and September 30 of each calendar year, a copy of the unaudited internally prepared balance sheet and statement of changes in net asset of SMUD for the three month period ended on such date, setting forth in each case in comparative form the corresponding figures for the corresponding fiscal period for the preceding fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles, consistently applied, together with a compliance certificate signed by an Authorized SMUD Representative stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default.

(v) As soon as practicable and in any event within ten (10) Business Days after SMUD obtains actual knowledge of: (A) any litigation, arbitration or governmental proceeding pending against SMUD that challenges SMUD's ability to perform its obligations under this Agreement and/or the SMUD Program Documents; or (B) any other event or condition that would prevent or is reasonably likely to prevent SMUD from performing its obligations under this Agreement and/or the SMUD Program Documents, in each case with a statement of the Authorized SMUD Representative setting forth details describing the same and the steps being taken with respect thereto;

(vi) As soon as practicable, notice of any disclosure documents publicly distributed in connection with any issue of Parity Bonds, Parity Subordinated Debt or Parity Notes;

(vii) As soon as practicable, notice of any change in, or the withdrawal of, any rating of Bonds, Parity Bonds or Parity Subordinated Debt (without regard to bond insurance or any other form of credit enhancement) by any Rating Agency; and

(viii) From time to time, such additional information regarding the financial position, results of operations, business or prospects of SMUD as the Bank may reasonably request.

(b) *Books and Records; Inspections.* SMUD will keep proper books of record and account with respect to the Electric System in which full and correct entries shall be made of assets and liabilities, financial transactions and business of SMUD in conformity with generally accepted accounting principles. SMUD will upon reasonable notice permit any Person designated by the Bank in writing to visit any of the properties of SMUD, and to examine the books and financial records of SMUD relating to the Electric System and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of SMUD relating to SMUD with the principal officers of SMUD all at such reasonable times during normal business hours and as often as the Bank may reasonably request.

(c) *Maintain Existence.* SMUD shall take no action that would terminate its existence, rights and franchises as a municipal utility district duly organized and existing under the Constitution and laws of the State of California.

(d) *Compliance with Laws.* SMUD will comply with the requirements of all laws, rules, regulations and orders of any Governmental Authority having jurisdiction over SMUD and/or the Electric System, noncompliance with which would materially adversely affect the ability of SMUD to perform its obligations under this Agreement and the SMUD Program Documents.

(e) *Compliance with Agreements.* SMUD will observe and perform all of its obligations under this Agreement and the SMUD Program Documents.

(f) *Incorporation of Covenants by Reference.* SMUD, by this reference, hereby incorporates into this Agreement those covenants and agreements made by it in Sections 3.02, 3.05, 3.06 and 6.08 of the Master Bond Resolution (as in effect on the effective date of this Agreement) and in the SMUD Program Documents, as such covenants and agreements exist on the date hereof, as if such covenants and agreements were set forth herein in their entirety together with all defined terms and interpretative provisions necessary for a complete understanding thereof. The incorporated provisions shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall the incorporated provisions be a limitation on the express covenants contained herein. In the event of a conflict between the covenants and agreements set forth in this Article V (other than the incorporated provisions) and the incorporated provisions, the covenants and agreements set forth in the other provisions of Article V shall prevail.

(g) *SMUD Program Documents.* SMUD will not amend, supplement or otherwise modify, or agree to the amendment, modification or termination of, any of the SMUD Program Documents (including, without limitation, an amendment to the Note Resolution reducing the Maximum Interest Rate to a rate below 12%) if such action could reasonably be expected to (i) adversely affect SMUD's ability to perform its obligations under this Agreement or the SMUD Program Documents, (ii) adversely affect the business, financial position or results of operations of SMUD or (iii) adversely affect the rights, interests, security or remedies of the Bank, in each

case, without the prior written consent of the Bank (the Bank shall provide SMUD its determination as to whether or not it consents to any amendment, supplement or modification to any SMUD Program Documents within ten (10) Business Days of written notice from SMUD of such amendment, supplement or modification). SMUD shall provide written notice to the Bank of any proposed amendment to the Master Bond Resolution or Subordinated Bond Resolution (and a copy of such proposed amendment) at least ten (10) calendar days prior to its effective date.

(h) *Reserved.*

(i) *Alternate Provider.* SMUD agrees that any termination of the Commitment and this Agreement as a result of the provision of any alternate credit facility will require, as a condition thereto, that SMUD or the issuer of the alternate credit facility will provide funds on the date of such termination or provision, which funds will be sufficient to pay in full at the time of termination of the Commitment all Obligations due to the Bank hereunder and under the Fee Agreement.

(j) *Reserved.*

(k) *Reserved.*

(l) *Offering Documents.* SMUD shall not make reference to the Bank in any offering document without the Bank's prior written consent thereto (other than references to the name of the Bank solely in the Bank's capacity as the credit provider with respect to the Revolving Notes). Except as may be required by law (including, but not limited to, federal and state securities laws), SMUD shall not use the Bank's name (other than references to the name of the Bank solely in the Bank's capacity as the credit provider with respect to the Revolving Notes) in any published materials (other than SMUD's staff reports, annual statements, audited financial statements, rating agency presentations) without the prior written consent of the Bank.

(m) *Use of Proceeds.* The proceeds of the Loans and Term Loans will be expended in the manner set forth in the Note Resolution and in not in violation of any applicable law.

(n) *Ranking of Obligations.* SMUD shall not take any action that would result in the Obligations not ranking at least pari passu in right of payment from Available Revenues with the Revolving Notes, Parity Notes and Parity Notes Reimbursement Agreements.

(o) *Investments.* SMUD will not, directly or indirectly, invest in instruments and securities other than those permitted by, and in accordance with, California Government Code Sections 53600 to 53609, the Master Bond Resolution, the Subordinated Bond Resolution or the Program Documents. SMUD will not permit SMUD to encumber its cash position nor schedule the interest payment dates and maturities of its investments in a manner which impedes, hinders or interferes with the availability of funds to meet SMUD's expected cash needs.

(p) *Reserved.*

(q) *Plans.* SMUD will (i) remain at all times in compliance with any applicable law (including any legally available grace periods) with respect to any Plan, and (ii) maintain each Plan

as to which it may have any liability in compliance in all material respects with the provisions of applicable law, the failure to comply with which could subject SMUD to any tax or penalty which tax or penalty, taken together, with all other taxes and penalties which could be assessed against SMUD by reason of all other non-compliances, would have a material adverse effect on the business, financial position or results of operations of SMUD.

(r) *Payment of Taxes, Etc.* SMUD will pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon SMUD on account of the Electric System or any portion thereof and which, if unpaid, might impair the security of the Revolving Notes, when the same shall become due, but nothing herein contained shall require SMUD to pay any such tax, assessment or charge so long as it shall in good faith contest the validity thereof. SMUD will duly observe and conform to all valid material requirements of any Governmental Authority relative to the Electric System or any part thereof.

(s) *Operation and Maintenance of Electric System.* SMUD will operate, maintain and preserve the Electric System in good repair and working order in conformity with standards customarily followed for municipal power supply, transmission and distribution systems of like size and character. SMUD will from time to time make necessary and proper repairs, renewals, replacements and substitutions to the properties of the Electric System, so that business carried on in connection with the Electric System shall and can be conducted in an efficient and economical manner, and will operate the Electric System in an efficient and economical manner. SMUD shall not use the Electric System to conduct any business other than that which is lawfully permitted.

(t) *Amounts of Rates and Charges.* To the extent permitted by law, SMUD hereby covenants to establish, maintain and collect rates and charges with respect to the Electric System sufficient to pay the Parity Bonds, Parity Subordinated Debt, Parity Notes, Parity Notes Reimbursement Agreements, the Revolving Notes and all Obligations due and owing hereunder.

(u) *Maintenance of Insurance.* SMUD maintains self-insurance for general liabilities, property damage and workers' compensation claims. SMUD shall, at all times, continue to maintain such self-insurance or shall use its best efforts to maintain or cause to be maintained insurance or reserves against loss from such hazards and risks to the person or property of others as are usually insured or reserved against by those with rights and interests in property similar to the Electric System. SMUD shall also procure, and maintain at all times adequate fidelity insurance or bonds on all officers and employees handling or responsible for any Electric System revenues, such insurance or bonds to be in an aggregate amount at least equal to the maximum amount of such Electric System revenues at any one time in the custody of all such officers and employees or in the amount of one million dollars (\$1,000,000), whichever is less. The insurance described above may be provided as a part of any comprehensive fidelity and other insurance and not separately for the Electric System.

(v) *Sale or Other Disposition of Property.* SMUD will not sell or otherwise dispose of any property essential to the proper operation of the Electric System or to the maintenance of the Revenues. SMUD will not enter into any lease or agreement which impairs or impedes the operation of the Electric System or which otherwise impairs or impedes the rights of the

Bondholders (as defined in the Master Bond Resolution) or the Bank with respect to Revenues. Subject to the preceding sentence, nothing contained herein shall prevent SMUD from entering into sale and leaseback agreements pursuant to which SMUD may acquire the use of property subject to the terms of such sale and leaseback agreements.

Notwithstanding the foregoing or any other provision of the Master Bond Resolution, SMUD may sell or otherwise dispose of its accounts receivable and customer loan balances due to SMUD *provided* that:

(1) SMUD delivers to the Trustee (as defined in the Master Bond Resolution):

(a) a certificate of SMUD to the effect that the amount derived by SMUD from the sale or other disposition of such accounts receivable or loan balances is a result of the sale or other disposition of such accounts receivable or loan balances upon fair and reasonable terms no less favorable to SMUD than the terms of a comparable arm's-length transaction treated as a sale and not a loan under generally accepted accounting principles; and

(b) a written statement or report of an independent certified public accountant to the effect that, based on the audited financial statements of SMUD for the most recent fiscal year for which audited financial statements are available and after giving effect to such transaction by reducing Revenues for such fiscal year by the difference between the face amount of such accounts receivable or loan balances and the amount derived by SMUD from the sale or other disposition of such accounts receivable or loan balances, the debt service ratio computed pursuant to Section 5.04 of the Master Bond Resolution would not have been reduced to less than 1.40:1.0.

(w) *Liens.* Except as permitted by the Master Bond Resolution, the Subordinated Bond Resolution or the Note Resolution or as otherwise acceptable to the Bank, SMUD will not (a) issue any bonds, notes or other evidences of indebtedness of similar nature payable out of or secured by a security interest in or a pledge or assignment of the Electric System revenues pledged under the Master Bond Resolution, the Subordinated Bond Resolution or the Note Resolution and held or set aside by SMUD thereunder, or (b) create or cause to be created any Lien on the Electric System revenues. SMUD shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any portion of the Electric System revenues that would affect the priority of Liens in existence on the Closing Date.

(x) *Anti-Terrorism Laws; Anti-Corruption Laws.* SMUD will not, and will ensure that none of its directors, officers or employees acting on SMUD's behalf, (i) use, transfer, or allocate proceeds of any Loan, Term Loan or Letter of Credit or other SMUD funds in a manner that would result in a violation by SMUD of applicable Sanctions, Anti-Terrorism Laws or Anti-Corruption Laws or (ii) take action with the intent to evade SMUD's compliance with applicable Sanctions or (iii) take any other action that would result in a violation by SMUD of applicable Sanctions, Anti-Terrorism Laws or Anti-Corruption Laws.

(y) *Further Assurances.* SMUD agrees to do such further acts and things and to execute and deliver to the Bank such additional assignments, agreements, powers and instruments as the Bank may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement and the Fee Agreement or to better assure and confirm to the Bank its rights, powers and remedies hereunder and under the SMUD Program Documents.

(z) *Immunity.* SMUD covenants that it will not claim immunity on the grounds of sovereignty or other similar grounds with respect to itself from (i) suit or (ii) jurisdiction of any court because of its status as a political subdivision of the State of California in connection with the enforcement of its obligations under this Agreement, the SMUD Program Documents, and the other documents contemplated by this Agreement.

(aa) *Ratings.* SMUD shall maintain a long-term unenhanced rating from at least one Rating Agency on Bonds and Parity Bonds.

(bb) *Swap Contracts.* Without the prior written consent of the Bank, SMUD shall not enter into any Swap Contracts relating to Debt wherein any termination payments thereunder are senior to or on parity with the payment of any Obligation.

(cc) *Shorter Amortization.* In the event that SMUD shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement relating to Parity Notes or other Debt of SMUD secured by a lien on Net Revenues on parity with the Revolving Notes which such Bank Agreement provides such Person with a shorter amortization period than what is set forth in Section 2.22(b) hereof (not taking into account any shorter amortization period that might occur under such Bank Agreement because of a default, termination event, or other similar event under such Bank Agreement) (each a “*Shorter Amortization Period*”), SMUD shall provide the Bank with a copy of each such Bank Agreement and such Shorter Amortization Period shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefit of such Shorter Amortization Period as if specifically set forth herein. SMUD shall promptly enter into an amendment to this Agreement to include such Shorter Amortization Period; *provided* that the Bank shall have and maintain the benefit of such Shorter Amortization Period even if SMUD fails to provide such amendment.

(dd) *Incorporation of Covenants by Reference.* SMUD agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in Sections 3.02, 3.05, 3.06 and 6.08 of the Master Bond Resolution and in each of the Program Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable against SMUD. To the extent that any such incorporated provision permits SMUD or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to SMUD or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Bank in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank which shall only be evidenced by the written approval by the Bank of the same. No

termination or amendment to such covenants and agreements or defined terms or release of SMUD with respect thereto made pursuant to the Master Bond Resolution or the Program Documents, shall be effective to terminate or amend such covenants and agreements and defined terms or release SMUD with respect thereto in each case as incorporated by reference herein without the prior written consent of the Bank. Notwithstanding any termination or expiration of the Master Bond Resolution or the Program Documents, SMUD shall continue to observe such incorporated covenants therein contained for the benefit of the Bank until the termination of this Agreement and the payment in full of all Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

## ARTICLE SIX

### DEFAULTS

*Section 6.1. Events of Default and Remedies.* If any of the following events shall occur, each such event shall be an “Event of Default”:

- (a) SMUD shall fail to pay when due (i) the principal of any Loan or Term Loan; (ii) the interest on any Loan or Term Loan; or (iii) any other amount payable hereunder or under the Fee Agreement and such default shall continue unremedied for five (5) Business Days;
- (b) SMUD shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in Sections 5.1(a)(i), 5.1(c), 5.1(f), 5.1(g), 5.1(i), 5.1(l), 5.1(m), 5.1(n), 5.1(t), 5.1(v), 5.1(w), 5.1(x) or 5.1(z) hereof; (ii) default in the due performance or observance by it of any other term, covenant or agreement contained in Sections 5.1(a)(v), 5.1(a)(vi) or 5.1(a)(vii) hereof and such default shall continue unremedied for a period of five (5) Business Days; (iii) default in the due performance or observance by it of any other terms, covenant or agreement contained in Section 5.1(a)(ii), 5.1(a)(iii), 5.1(a)(iv) or 5.1(a)(viii) hereof and such default shall continue unremedied for a period of five (5) Business Days after the Bank has provided written notice to SMUD; or (iv) default in the due performance or observance by it of any other term, covenant or agreement hereunder or under the Fee Agreement (other than those referred to in Section 6.1(a), 6.1(b)(i), 6.1(b)(ii) or 6.1(b)(iii) hereof) and such default shall continue unremedied for a period of thirty (30) days; or
- (c) Any representation, warranty, certification or statement made or deemed made by SMUD in this Agreement, any Program Document or in any certificate, financial statement or other document delivered to the Bank pursuant to this Agreement shall prove when made or deemed made, in the reasonable judgment of the Bank, to have been inaccurate and misleading in any material respect; or
- (d) SMUD shall (i) default in any payment of (A) any Debt payable from or secured by Net Revenues beyond the period of grace (not to exceed 30 days), if any,

provided in the instrument or agreement under which such Debt was created or (B) any obligation under any Swap Contract the obligations under which are secured by a lien on Net Revenues senior to or on a parity with the Obligations, or (ii) default in the observance or performance of any agreement or condition relating to any Debt payable from or secured by Net Revenues on parity with or senior to the Obligations or Swap Contract or Bank Agreement the obligations under which are payable from or secured by Net Revenues on parity with or senior to the Obligations contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit (A) the holder or holders (or a trustee or agent on behalf of such holder or holders) of any Debt or (B) the counterparty under any Swap Contract or Bank Agreement, in each case, payable from or secured by Net Revenues on parity with or senior to the Obligations to cause, with the giving of notice if required, such Debt or obligations under such Swap Contract or Bank Agreement to become due prior to its stated maturity; or (iii) any Debt secured by a lien on Net Revenues senior to or on a parity with the Obligations or Swap Contract or Bank Agreement the obligations under which are payable from or secured by Net Revenues on parity with or senior to the Obligations shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof. For purposes of clarity, solely for purposes of this Section 6.1(d), Debt payable from or secured by Net Revenues means all Debt of SMUD regardless of lien level or priority payable from or secured by all or any portion of Net Revenues; or

(e) SMUD shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of itself or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail to pay its debts as they become due, or shall take any action to authorize any of the foregoing; or

(f) An involuntary case or other proceeding shall be commenced against SMUD seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such case or proceeding is not controverted within thirty (30) days and dismissed within sixty (60) days; or an order for relief shall be entered against SMUD under the Federal bankruptcy laws as now or hereafter in effect; or

(g) (i) A court of competent jurisdiction or other governmental authority with appropriate jurisdiction over SMUD shall enter a final and non-appealable judgment, order or decree declaring (x) any obligation of SMUD contained in this Agreement, any Program Document, the Master Bond Resolution or the Subordinated Bond Resolution or (y) any Program Document, the Master Bond Resolution or the Subordinated Bond Resolution (or any material provision thereof), in either case, to be invalid, not binding or unenforceable

against SMUD or (ii) any action is taken by the SMUD Board or any officer of SMUD authorized by the SMUD Board to contest the validity or enforceability of this Agreement, any other Program Document, the Master Bond Resolution or the Subordinated Bond Resolution or, in each case, any material provision thereof, or the SMUD Board or any officer of SMUD authorized by the SMUD Board repudiates its obligations under any Program Document, the Master Bond Resolution or the Subordinated Bond Resolution or any provision thereof or with respect to any Debt of SMUD secured by or payable from Net Revenues or Net Subordinated Revenues senior to or on a parity with the Obligations, or SMUD shall seek an adjudication that this Agreement, any other Program Document, the Master Bond Resolution or the Subordinated Bond Resolution or, in each case, any material provision thereof is not valid and binding; or

(h) A moratorium or comparable extraordinary restriction shall have been imposed, declared or announced by SMUD or imposed, declared or announced in a finding or ruling or other determination by any Governmental Authority having jurisdiction over SMUD (whether or not in writing) with respect to any Debt of SMUD secured by Net Revenues, Net Subordinated Revenues or Available Revenues senior to or on a parity with the Obligations; or

(i) Dissolution or termination of the existence of SMUD; or

(j) Any of the funds or accounts established pursuant to the Master Bond Resolution, the Subordinated Bond Resolution or the Note Resolution or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of SMUD relating to an obligation or obligations of SMUD in excess of \$10,000,000 and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within fifteen (15) days after its issue or levy; or

(k) Any court of competent jurisdiction or other governmental entity with jurisdiction shall find or rule or otherwise determine that any pledge or security interest created by this Agreement, any Program Document, the Master Bond Resolution or the Subordinated Bond Resolution to secure any amount due by SMUD under this Agreement, the Fee Agreement or either Revolving Note shall fail to be enforceable with the priority required hereunder or thereunder; or

(l) (i) Any event which materially and adversely affects the ability of SMUD to observe and perform its obligations under this Agreement or the Fee Agreement shall have occurred and be continuing, (ii) any event which materially and adversely affects the ability of SMUD to observe and perform its obligations under any SMUD Program Document, the Master Bond Resolution or the Subordinated Bond Resolution shall have occurred and be continuing or (iii) either the Master Bond Resolution or the Subordinated Bond Resolution shall be amended and such amendment materially and adversely affects the ability of SMUD to observe and perform its obligations under this Agreement or the Fee Agreement; or

(m) The (i) downgrade by any Rating Agency of its long-term unenhanced rating with respect to any Bonds to a level below “Baa3” (or its equivalent) in the case of Moody’s, “BBB-” (or its equivalent) in the case of S&P or “BBB-” (or its equivalent) in the case of Fitch or (ii) suspension or withdrawal by any Rating Agency of its respective long-term unenhanced rating on any Bonds for credit-related reasons.

(n) An “event of default” (or similar event) shall have occurred under any of the Program Documents, the Master Bond Resolution or the Subordinated Bond Resolution; or

(o) A court of competent jurisdiction shall enter a final and non-appealable judgment, order or decree for the payment of money in excess of \$10,000,000 against SMUD and such judgment, order or decree shall continue unbonded or unsatisfied for a period of 60 days; or

(p) There shall be appointed or designated with respect to SMUD, an entity such as an organization, board, commission, authority, agency or body to declare a financial emergency or similar state of financial distress with respect to it or there shall be declared by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it.

*Section 6.2. Remedies.* Upon the occurrence of any Event of Default or an Optional Termination Event the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

(a) declare all Obligations (including all Reimbursement Obligations and all L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented or shall be entitled to present the documents required thereunder) to be immediately due and payable, whereupon the same shall be immediately due and payable without any further notice of any kind, which notice is hereby waived by SMUD; *provided, however;* that in the case of an Event of Default described in Section 6.1(e), 6.1(f) or 6.1(h) hereof, such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing); or

(b) with respect to Non-Credit Events of Default only, give notice to SMUD that its obligation to make Loans and Term Loans or issue Letters of Credit hereunder is terminated (SMUD hereby acknowledges that upon the occurrence of a Credit Event of Default, the Bank’s obligation to make Loans and Term Loans or issue Letters of Credit shall automatically terminate without the giving of any notice) with respect thereto; or

(c) with respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to Section 6.2(a), demand that SMUD shall at such time deposit in a Cash Collateral account opened by the Bank an amount equal to the Minimum Collateral Amount of the aggregate then undrawn and unexpired amount of such Letter of Credit. Amounts held in such Cash Collateral

account shall be applied by the Bank to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay the other Obligations. After all such Letters of Credit shall have expired or been fully drawn upon, the Reimbursement Obligations shall have been satisfied and all other Obligations shall have been paid in full, the balance, if any, in such Cash Collateral account shall be returned to SMUD; or

- (d) pursue any rights and remedies it may have under the Program Documents; or
- (e) pursue any other action available at law or in equity.

## **ARTICLE SEVEN**

### **MISCELLANEOUS**

*Section 7.1. Amendments, Waivers, Etc.* No amendment or waiver of any provision of this Agreement, or consent to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

*Section 7.2. Notices.* All notices and other communications provided for hereunder (except as provided in Section 2.2(b) hereof) shall be in writing (including required copies) and sent by receipted hand delivery (including Federal Express or other receipted courier service), facsimile or electronic mail transmission, or regular mail, as follows:

- (a) if to SMUD:  
Sacramento Municipal Utility District  
6201 S Street  
Sacramento, California 95817-1899  
Attention: Treasurer  
Telephone: (916) 732-5193  
Telecopy: (916) 732-5835  
Email: [Jennifer.Restivo@smud.org](mailto:Jennifer.Restivo@smud.org)

With copies to:

[Jon.Anderson@smud.org](mailto:Jon.Anderson@smud.org),  
[Alex.Fastovich@smud.org](mailto:Alex.Fastovich@smud.org),  
[smud.cash@smud.org](mailto:smud.cash@smud.org)

(b) if to the Bank, for all matters:

PNC Bank, National Association  
10250 Constellation Boulevard, 15th Floor  
Los Angeles, CA 90067  
Attention: Christopher D. Roberts  
Telephone: (310) 735-9164  
E-mail:croberts@pnc.com

With a copy to:

PNC Bank, National Association  
805 SW Broadway, Floor 22  
Portland, OR 97205  
Attention: Kevin Stewart  
Telephone: (503) 808-1359  
E-mail:kevin.stewart@pnc.com

With a copy to: CorpLA@pnc.com

or, as to each Person named above, at such other address as shall be designated by such Person in a written notice to the parties hereto. All such notices and other communications shall, when delivered, sent by facsimile or electronic mail transmission or mailed, be effective when deposited with the courier, sent by facsimile or electronic mail transmission or mailed respectively, addressed as aforesaid, except that Notices of Borrowings submitted to the Bank shall not be effective until received by the Bank.

*Section 7.3. Survival of Covenants; Successors and Assigns.* (a) All covenants, agreements, representations, and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Loan and Term Loan hereunder and shall continue in full force and effect until the Commitment and this Agreement shall have terminated and all of the Obligations hereunder shall have been paid in full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last sentence of this Section, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of SMUD which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Bank and the Noteholders, and their respective permitted successors, transferees and assigns as set forth herein. SMUD may not transfer its rights or obligations under this Agreement or the Program Documents without the prior written consent of the Bank (and any attempted assignment or transfer by SMUD without such consent shall be null and void). Except as otherwise expressly permitted by this Section 7.3 and Section 7.18, so long as no Event of Default shall have occurred and be continuing hereunder, neither the Bank nor any Noteholder may transfer its rights or obligations under this Agreement, the Taxable Note or the Tax-Exempt Note without the prior written consent of SMUD (such consent not to be unreasonably withheld) (and any attempted assignment or transfer by the Bank or any Noteholder without such consent shall be null and void); *provided* that the consent of SMUD shall not be required for any such transfer to an Affiliate of the Bank or any Noteholder, as applicable. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto,

their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (b) of this Section) and, to the extent expressly contemplated hereby, the Bank-Related Persons) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Notwithstanding the foregoing, the Bank and each Noteholder shall be permitted to grant to one or more financial institutions (each a “*Participant*”) a participation or participations in all or any part of the Bank’s or such Noteholder’s rights and benefits and obligations under this Agreement, the Revolving Notes and the Commitment on a participating basis but not as a party to this Agreement (a “*Participation*”) without the consent of SMUD. In the event of any such grant by the Bank or a Noteholder of a Participation to a Participant, the Bank and such Noteholder shall remain responsible for the performance of its obligations hereunder, and SMUD shall continue to deal solely and directly with the Bank in connection with the Bank’s rights and obligations under this Agreement. SMUD agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement as if such Participant were the Bank or such Noteholder, *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Section 6.1 hereof; *provided further* that SMUD’s liability to any Participant shall not in any event exceed that liability which SMUD would owe to the Bank but for such participation.

(c) *Noteholders Generally.* Each Noteholder may, in its sole discretion and in accordance with applicable law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Revolving Notes and the Program Documents in accordance with this subsection (c). Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (b) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of Section 7.18 hereof. PNC Bank, National Association shall be the Bank hereunder until such time as the Majority Noteholder designates an alternate Person to serve as the Bank hereunder reasonably acceptable to SMUD by delivery of written notice to SMUD and such Person accepts and agrees to act as the Bank hereunder and under the Program Documents. The Majority Noteholder may so designate an alternate Person that is an owner of the Revolving Notes to act as the Bank from time to time. Upon acceptance and notification thereof to SMUD, the successor to the Bank for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Bank, and PNC Bank, National Association or any other Person being replaced as the Bank shall be discharged from its duties and obligations as the Bank hereunder. The Bank and each Noteholder may assign to one or more assignees all or a portion of its rights under this Agreement (including all or a portion of its Commitment, the Tax-Exempt Note and the Taxable Note and the Loans and Term Loans at the time owing to it) to one or more assignees whether or not related to the Bank. Notwithstanding anything to the contrary set forth herein, neither PNC Bank, National Association nor any other Bank may assign its obligations to advance or make Loans or Term Loans pursuant to the terms of this Agreement without the prior written consent of SMUD (such consent not to be unreasonably withheld) unless (i) an Event of Default has occurred and is continuing or (ii) such sale, assignment or transfer is to an Affiliate of the Bank, and SMUD’s liability to any successor Bank or to any Noteholder shall not in any event exceed that liability which SMUD would have owed to PNC Bank, National Association but for any such assignment, sale or transfer, in whole or in part, of this Agreement, its interest in the Revolving Notes or the Program Documents.

*Section 7.4. Unconditional Obligations.* The obligations of SMUD under this Agreement and the Fee Agreement shall be primary, absolute, independent, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement and the Fee Agreement, including without limitation the following circumstances:

- (a) Any lack of validity or enforceability of the Program Documents or any other agreement or instrument relating to any of the above;
- (b) Any amendment or waiver of, or any consent to or departure from, any provision of any of the Program Documents, except for any waiver or consent granted by the Bank;
- (c) The existence of any claim, setoff, defense or other rights that SMUD may have at any time against the Bank or any other Person, whether in connection with this Agreement, the Program Documents or any unrelated transaction;
- (d) Any breach of contract or other dispute between SMUD and any Noteholder, the Bank or any other Person;
- (e) Any demand, statement or any other document presented hereunder proving to have been forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;
- (f) Payment by the Bank hereunder against presentation of a draft or certificate which does not comply strictly with the terms of this Agreement; or
- (h) The failure by the Bank to honor any Notice of Borrowing hereunder or to make any payment demanded hereunder on the grounds that the demand for such payment does not conform strictly to the terms and conditions of this Agreement.

*Section 7.5. Liability of Bank; Indemnification.* (a)(i) Except as provided in this Agreement, the Bank shall not be obligated to issue any further credits, to cure any defaults under any Program Document or otherwise, or in any other manner to extend any financial consideration or accommodation to SMUD.

(ii) The Bank shall not be deemed to have waived or released any of its rights or remedies (whether specified in or arising under this Agreement, the Fee Agreement or otherwise available to it by law or agreement) unless the Bank shall have signed a written waiver or release. Delay or failure to act on the Bank's part shall not constitute a waiver of or otherwise preclude enforcement of any of its rights and remedies. All of the Bank's rights and remedies shall be cumulative and may be exercised separately or concurrently. The Bank need not resort to any particular right or remedy before exercising or enforcing any other, and the Bank's resort to any right or remedy shall not preclude the exercise or enforcement of any other right or remedy.

(iii) Neither the Bank nor any of its officers, directors, employees or agents shall be liable or responsible for:

(A) The use that may be made of the Commitment or the Loans or Term Loans;

(B) The form, validity, sufficiency, accuracy or genuineness of documents, or of any endorsements thereon, even if such documents should prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged, so long as the Bank was not grossly negligent or guilty of willful misconduct as determined by a court of competent jurisdiction;

(C) Payment by the Bank against presentation of documents that do not comply strictly with the terms of this Agreement, including failure of any documents to bear any reference or adequate reference to this Agreement;

(D) The validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign this Agreement or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;

(E) Errors, omissions, interruptions or delays in transmission or delivery of any messages by telex, mail, cable, telegraph, facsimile or otherwise, whether or not they have been in cipher, including any Notices of Borrowing under this Agreement;

(F) Errors in interpretation of technical terms; or

(G) Any consequences arising from causes beyond the control of the Bank, including, without limitation, any Government Acts;

*provided* that, notwithstanding anything in the preceding clauses (A) through (G) to the contrary, SMUD shall have a claim against the Bank, and the Bank shall be liable to SMUD, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by SMUD that SMUD proves were caused by (A) the Bank's failure to pay under this Agreement after the presentation to it by SMUD of a certificate strictly complying with the terms and conditions of this Agreement or (B) the Bank's willful or grossly negligent payment under this Agreement as determined by a court of competent jurisdiction in a final non-appealable judgment.

In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(b) (i) To the maximum extent permitted by applicable law, SMUD agrees to indemnify, save and hold harmless each Bank-Related Person from and against: (A) any and all claims, demands, actions or causes of action that may at any time (including at any time following repayment of the Obligations) be asserted or imposed against any Bank-Related Person arising out of or relating to this Agreement, the Loans and Term Loans, the Letters of Credit, the Fee

Agreement or any Program Document, the use or contemplated use of the proceeds of any Loan or Term Loan or Letter of Credit (including any refusal by the Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), or the relationship of SMUD and the Bank under this Agreement or any Program Document; (B) any investigative, administrative or judicial proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (A) above; and (C) any and all liabilities (including liabilities under indemnities), losses, costs or expenses (including attorney costs) that any Bank-Related Person suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, and whether or not a Bank-Related Person is a party to such claim, demand, action, cause of action or proceeding; *provided* that no Bank-Related Person shall be entitled to indemnification for any claim caused by its own gross negligence or willful misconduct. The agreements in this subsection shall survive the termination of this Agreement and repayment of all of the Obligations.

(ii) To the maximum extent permitted by applicable law, SMUD shall also indemnify and hold harmless the Bank from any transfer taxes, documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement and the Program Documents or the making available of the Commitment. The agreements in this subsection shall survive the termination of this Agreement and repayment of all of the Obligations.

*Section 7.6. Expenses.* SMUD will promptly pay (i) the reasonable fees and expenses of counsel to the Bank incurred in connection with the preparation, execution and delivery of this Agreement and the other Program Documents, (ii) the reasonable out-of-pocket expenses of the Bank incurred in connection with the preparation, execution and delivery of this Agreement and the other Program Documents, (iii) the reasonable fees and disbursements of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement after the occurrence of an Event of Default and (iv) all reasonable costs and expenses, if any, in connection with the administration and enforcement of this Agreement and the Program Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Bank. In addition, SMUD agrees to pay, after the occurrence of an Event of Default, all reasonable costs and expenses (including attorneys' and consultants' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from SMUD hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings. The obligations of SMUD under this Section 7.6 shall survive the termination of this Agreement.

*Section 7.7. No Waiver; Conflict.* No failure by the Bank to exercise, and no delay by the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights, remedies, powers and privileges herein

provided and provided under each other Program Document are cumulative, and not exclusive of any rights, remedies, powers and privileges provided by law.

*Section 7.8. Modification, Amendment, Waiver, Etc.* No modification, amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed in accordance with Section 7.1 hereof.

*Section 7.9. Dealing with SMUD.* The Bank and its affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with SMUD regardless of the capacity of the Bank hereunder.

*Section 7.10. Severability.* Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

*Section 7.11. Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

*Section 7.12. Table of Contents; Headings.* The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

**SECTION 7.13. ENTIRE AGREEMENT.** THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO AS TO SUCH SUBJECT MATTER.

*Section 7.14. Governing Law.* PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW (OR ANY SUCCESSOR STATUTE THERETO), THIS AGREEMENT AND THE FEE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW; *PROVIDED, HOWEVER,* THAT THE CAPACITY, POWER AND AUTHORITY OF SMUD TO ENTER INTO THIS AGREEMENT AND THE OBLIGATIONS OF SMUD HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW WITHOUT REGARD TO CHOICE OF LAW RULES.

*Section 7.15. Waiver of Jury Trial.* (a) TO THE FULL EXTENT PERMITTED BY LAW, SMUD AND THE BANK EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY FOR ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE FEE AGREEMENT, ANY OF THE OTHER PROGRAM DOCUMENTS, THE MASTER BOND RESOLUTION, THE SUBORDINATED BOND RESOLUTION OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH OF SMUD AND THE BANK FURTHER AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY. WITHOUT LIMITING THE FOREGOING, TO THE EXTENT PERMITTED BY LAW, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, THE FEE AGREEMENT, AND/OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND/OR THE FEE AGREEMENT.

(b) In the event the waiver of jury trial as set forth in subsection (a) of this Section shall be declared void or unenforceable, each of SMUD and the Bank agrees to refer the dispute to a judicial referee in accordance with the provisions of Section 638 *et seq.* of the California Code of Civil Procedure.

*Section 7.16. Right of Setoff; Other Collateral.* (a) Upon the occurrence and during the continuance of an Event of Default, the Bank is hereby authorized at any time and from time to time without notice to SMUD (any such notice being expressly waived by SMUD), and to the fullest extent permitted by law, to setoff, to exercise any banker's lien or any right of attachment and apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies at any time held and other indebtedness at any time owing by the Bank to or for the account of SMUD (irrespective of the currency in which such accounts, monies or indebtedness may be denominated and the Bank is authorized to convert such accounts, monies and indebtedness into United States dollars) against any and all of the Obligations of SMUD, whether or not the Bank shall have made any demand for any amount owing to the Bank by SMUD; *provided, however,* that any such setoff, exercise of banker's lien or any right of attachment shall be limited to (i) balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies or (ii) indebtedness owed by the Bank to or for the account of SMUD, the proceeds of which would otherwise be available to pay or satisfy or otherwise secure the Revolving Notes, the Obligations or any other indebtedness or obligations of SMUD secured or payable on a parity with or subordinate to the Lien on Net Revenues securing the Revolving Notes and the Obligations; and *provided further, however,* that the exercise of any such setoff, banker's lien or right of attachment and the application of any such balances, credits, deposits, accounts,

monies or proceeds of indebtedness that would constitute Revenues or other funds pledged pursuant to the Master Bond Resolution, Subordinated Bond Resolution or Note Resolution shall be subject to the terms, conditions and lien and payment priorities set forth in the Master Bond Resolution, the Subordinated Bond Resolution and the Note Resolution.

(b) The rights of the Bank under this Section 7.16 are in addition to, in augmentation of, and, except as specifically provided in this Section 7.16, do not derogate from or impair, other rights and remedies (including, without limitation, other rights of setoff) which the Bank may have hereunder or under the other Program Documents.

*Section 7.17. USA Patriot Act.* The Bank hereby notifies SMUD that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 signed into law October 26, 2001) (the “*Patriot Act*”), it is required to obtain, verify and record information that identifies SMUD, which information includes the name and address of SMUD and other information that will allow the Bank to identify SMUD in accordance with applicable “know your customer” and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act. SMUD hereby agrees that it shall promptly provide such information upon request by the Bank.

*Section 7.18. Assignment to Federal Reserve Bank.* The Bank and each other Noteholder may assign and pledge all or any portion of the Obligations owing to it hereunder (including, without limitation, rights to payment under this Agreement) to any Federal Reserve Bank or the United States Treasury, including, without limitation, as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits; *provided* that any payment in respect of such assigned Obligations made by SMUD or on its behalf to the Bank in accordance with the terms of this Agreement shall satisfy SMUD’s Obligations hereunder in respect of such assigned Obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

*Section 7.19. No Advisory or Fiduciary Relationship.* In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Program Document), SMUD acknowledges and agrees that: (a) (i) the services regarding this Agreement provided by the Bank and any Affiliate thereof are arm’s-length commercial transactions between SMUD, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) SMUD has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) SMUD is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Program Documents; (b) (i) the Bank and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary pursuant to Section 15B of the Securities Exchange Act of 1934 or otherwise, for SMUD or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to SMUD with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Program Documents; and (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of SMUD, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to SMUD. To the fullest extent permitted by

Law, SMUD hereby waives and releases any claims that it may have against the Bank or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

*Section 7.20. EMMA Postings.* In the event SMUD files with EMMA, this Agreement, any Program Documents or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms with respect thereto, either voluntarily or as required pursuant a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the “*Rule*”) (each such posting, an “*EMMA Posting*”), SMUD shall (i) provide the Bank with a copy of each EMMA Posting prior to submitting or posting on EMMA and (ii) shall not file or permit the filing of any EMMA Posting that includes Confidential Information. SMUD acknowledges and agrees that although the Bank may request or review edits or redactions of such materials prior to filing, the Bank is not responsible for SMUD’s or any other entity’s (including, but not limited to, any broker-dealer’s) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule.

*Section 7.21. US QFC Stay Rules.*

(a) *Recognition of U.S. Resolution Regimes.* In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) *Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings.* Notwithstanding anything to the contrary in this Agreement or any related agreement, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered Entity with respect to this Agreement shall

have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following:

(a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*Insolvency Proceeding*” means a receivership, insolvency, liquidation, resolution, or similar proceeding.

“*U.S. Special Resolution Regime*” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

## ARTICLE EIGHT

### LETTER OF CREDIT FACILITY

#### *Section 8.1. L/C Facility.*

(a) *Availability.* Subject to the terms and conditions hereof, the Bank agrees to issue performance Letters of Credit in an aggregate amount not to exceed the L/C Sublimit for the account of SMUD. Letters of Credit may be issued on any Business Day from the Closing Date to, but not including the fifteenth (15<sup>th</sup>) Business Day prior to the Facility Maturity Date in such form as may be approved from time to time by the Bank; *provided*, that the Bank shall not issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Sublimit or (ii) the outstanding Extensions of Credit would exceed the Commitment. Letters of Credit issued hereunder shall constitute utilization of the Commitment.

(b) *Terms of Letters of Credit.* Each Letter of Credit shall (i) be denominated in Dollars, (ii) expire on a date no more than twelve (12) months after the date of issuance or last renewal or extension of such Letter of Credit (subject to automatic renewal or extension for additional one (1) year periods (but not to a date later than the date set forth below) pursuant to the terms of the Letter

of Credit Documents or other documentation acceptable to the Bank), which date shall be no later than the fifth (5th) Business Day prior to the Facility Maturity Date; *provided* that any Letter of Credit may expire after such date (each such Letter of Credit, an “*Extended Letter of Credit*”) with the consent of the Bank and subject to the requirements of Section 8.11 hereof, and (iii) unless otherwise expressly agreed by the Bank and SMUD when a Letter of Credit is issued by it, be subject to the ISP as set forth in the Letter of Credit Documents or as determined by the Bank and, to the extent not inconsistent therewith, the laws of the State of New York. The Bank shall not at any time be obligated to issue any Letter of Credit hereunder if (A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Bank from issuing such Letter of Credit, or any Law applicable to the Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Bank shall prohibit, or request that the Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Bank with respect to letters of credit generally or such Letter of Credit in particular any restriction or reserve or capital requirement (for which the Bank is not otherwise compensated) not in effect on the Closing Date, or any unreimbursed loss, cost or expense that was not applicable, in effect or known to the Bank as of the Closing Date and that the Bank in good faith deems material to it, (B) the conditions set forth in Section 3.2 hereof are not satisfied, (C) the issuance of such Letter of Credit would violate one or more policies of the Bank applicable to letters of credit generally, or (D) the proceeds of which would be made available to any Person (x) to fund any activity or business of or with Person subject to Sanctions or (y) in any manner that would result in a violation of any Sanctions by any party to this Agreement. References herein to “issue” and derivations thereof with respect to Letters of Credit shall also include extensions or modifications of any outstanding Letters of Credit, unless the context otherwise requires.

*Section 8.2. Procedure for Issuance of Letters of Credit.* SMUD may from time to time request that the Bank issue, amend, renew or extend a Letter of Credit by delivering to the Bank at its applicable office a Letter of Credit Application therefor, completed to the satisfaction of the Bank, and such other certificates, documents and other Letter of Credit Documents and information as the Bank may request, not later than 11:00 a.m. (Pacific time) at least seven (7) Business Days (or such later date and time as the Bank may agree in its sole discretion) prior to the proposed date of issuance, amendment, renewal or extension, as the case may be. Such notice shall specify (a) the requested date of issuance, amendment, renewal or extension (which shall be a Business Day), (b) the date on which such Letter of Credit is to expire (which shall comply with Section 8.1(b) hereof), (c) the amount of such Letter of Credit, (d) the name and address of the beneficiary thereof, (e) the purpose and nature of such Letter of Credit and (f) such other information as shall be necessary to issue, amend, renew or extend such Letter of Credit. Upon receipt of any Letter of Credit Application, the Bank shall, process such Letter of Credit Application and the certificates, documents and other Letter of Credit Documents and information delivered to it in connection therewith in accordance with its customary procedures and shall, subject to Section 8.1 and Article Three hereof, promptly issue, amend, renew or extend the Letter of Credit requested thereby (subject to the timing requirements set forth in this Section 8.2) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by the Bank and SMUD. Additionally, SMUD shall furnish to the Bank such other documents and information pertaining to such requested Letter of Credit issuance or amendment, renewal or extension, including any Letter of Credit Documents, as the Bank may require. The

Bank shall promptly furnish to SMUD a copy of such Letter of Credit and the related Letter of Credit Documents.

*Section 8.3. Commissions and Other Charges.*

(a) *Letter of Credit Commissions.* SMUD shall pay to the Bank a letter of credit commission with respect to each Letter of Credit in the amount equal to the daily amount available to be drawn under such performance Letters of Credit times the L/C Fee Rate (determined, in each case, on a per annum basis). Such commission shall be payable quarterly in arrears on the tenth (10th) calendar day of each July, October, January and April (commencing with the first such date to occur after the issuance of such Letter of Credit), on the Facility Maturity Date and thereafter on demand of the Bank.

(b) *Issuance Fee.* In addition to the foregoing commission, SMUD shall pay directly to the Bank, for its own account, an issuance fee with respect to each Letter of Credit issued by the Bank in an amount equal to \$300 or as otherwise agreed upon between the Bank and SMUD. Such issuance fee shall be payable immediately upon the issuance of such Letter of Credit and thereafter on demand of the Bank.

(c) *Other Fees, Costs, Charges and Expenses.* In addition to the foregoing fees and commissions, SMUD shall pay or reimburse the Bank for such normal and customary fees, costs, charges and expenses (including fronting fees) as are incurred or charged by the Bank in issuing, effecting payment under, amending or otherwise administering any Letter of Credit issued by it. Such customary fees, costs, charges and expenses are due and payable on demand and are nonrefundable.

*Section 8.4. Reserved.*

*Section 8.5. Reimbursement.* In the event of any drawing under any Letter of Credit, SMUD agrees to reimburse (either with the proceeds of a Loan as provided for in this Section or with funds from other sources), in same day funds, the Bank by paying to the Bank the amount of such drawing not later than 12:00 noon (Pacific time) on (i) the Business Day that SMUD receives notice of such drawing, if such notice is received by SMUD prior to 10:00 a.m. (Pacific time), or (ii) the Business Day immediately following the day that SMUD receives such notice, if such notice is not received prior to such time, for the amount of (x) such draft so paid and (y) any amounts referred to in Section 8.3(c) incurred by the Bank in connection with such payment. Unless SMUD shall immediately notify the Bank that SMUD intends to reimburse the Bank for such drawing from other sources or funds, SMUD shall be deemed to have timely given a Notice of Borrowing to the Bank requesting that the Bank make a Loan at the Taxable Daily SOFR Rate on the applicable repayment date in the amount (without regard to the minimum and multiples specified in Section 2.2 hereof) of (i) such draft so paid and (ii) any amounts referred to in Section 8.3(c) hereof incurred by the Bank in connection with such payment, and the Bank shall make a Loan as a Loan at the Taxable Daily SOFR Rate in such amount, the proceeds of which shall be applied to reimburse the Bank for the amount of the related drawing and such fees and expenses. The Bank acknowledges and agrees that its obligation to fund a Loan in accordance with this Section to reimburse the Bank for any draft paid under a Letter of Credit issued by it is

absolute and unconditional and shall not be affected by any circumstance whatsoever, including non-satisfaction of the conditions set forth in Section 2.2 or Article Three hereof. If SMUD has elected to pay the amount of such drawing with funds from other sources and shall fail to reimburse the Bank as provided above, or if the amount of such drawing is not fully refunded through a Loan at the Taxable Daily SOFR Rate as provided above, the unreimbursed amount of such drawing shall bear interest at the rate which would be payable on any outstanding Loan at the Taxable Daily SOFR Rate which were then overdue from the date such amounts become payable (whether at stated maturity, by acceleration or otherwise) until paid in full.

*Section 8.6. Obligations Absolute.*

(a) SMUD's obligations under this Article Eight (including the Reimbursement Obligations) shall be absolute, unconditional and irrevocable under any and all circumstances whatsoever, and shall be performed strictly in accordance with the terms of this Agreement, and irrespective of:

(i) any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Document or this Agreement, or any term or provision therein or herein;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that SMUD may have or have had against the Bank or any beneficiary of a Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent, forged or insufficient in any respect or any statement in such draft or other document being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by the Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit; or

(v) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, SMUD's obligations hereunder.

(b) The Bank shall use commercially reasonable efforts to notify SMUD of any drawings under any Letter of Credit. SMUD also agrees that the Bank shall not be responsible for, and SMUD's Reimbursement Obligation under Section 8.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among SMUD and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of SMUD against any beneficiary of such Letter of

Credit or any such transferee. The Bank and the Bank-Related Persons shall not have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit, or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Bank; *provided* that the foregoing shall not be construed to excuse the Bank from liability to SMUD to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by SMUD to the extent permitted by Law) suffered by SMUD that are caused by the Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Bank (as finally determined by a court of competent jurisdiction), the Bank shall be deemed to have exercised care in each such determination.

(c) In furtherance of the foregoing and without limiting the generality thereof, the parties agree that (i) with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit, (ii) the Bank may act upon any instruction or request relative to a Letter of Credit or requested Letter of Credit that the Bank in good faith believes to have been given by a Person authorized to give such instruction or request and (iii) the Bank may replace a purportedly lost, stolen, or destroyed original Letter of Credit or missing amendment thereto with a certified true copy marked as such or waive a requirement for its presentation. The responsibility of the Bank to SMUD in connection with any draft presented for payment under any Letter of Credit issued by it shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentation substantially conforms to the requirements under such Letter of Credit.

(d) Notwithstanding anything in this Section 8.6 to the contrary, the provisions set forth in this Section 8.6 shall not by themselves relieve the Bank of liability for damages to SMUD for gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment.

*Section 8.7. Effect of Letter of Credit Documents.* To the extent that any provision of any Letter of Credit Document related to any Letter of Credit is inconsistent with the provisions of this Article Eight, the provisions of this Article Eight shall apply.

*Section 8.8. Reserved.*

*Section 8.9. Reserved.*

*Section 8.10. Letter of Credit Amounts.* Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the maximum face amount of such Letter of Credit after giving effect to all increases thereof contemplated by such Letter of Credit or the Letter of Credit Documents therefor (at the time specified therefor in such applicable Letter of Credit or Letter of Credit Documents and as such amount may be reduced by (a) any permanent reduction of such Letter of Credit or (b) any amount which is drawn, reimbursed and no longer available under such Letter of Credit).

*Section 8.11. Cash Collateral for Extended Letters of Credit.*

(a) *Cash Collateralization.* SMUD shall provide Cash Collateral to the Bank with respect to each Extended Letter of Credit issued by the Bank (in an amount equal to 105% of the maximum face amount of each Extended Letter of Credit) by a date that is no later than 5 days prior to the Facility Maturity Date by depositing such amount in immediately available funds, in Dollars, into a cash collateral account maintained at the Bank and shall enter into a cash collateral agreement in form and substance satisfactory to the Bank and such other documentation as the Bank may reasonably request; *provided* that if SMUD fails to provide Cash Collateral with respect to any such Extended Letter of Credit by such time, such event shall be treated as a drawing under such Extended Letter of Credit in an amount equal to 105% of the maximum face amount of each such Letter of Credit, which shall be reimbursed (or participations therein funded) in accordance with this Article Eight, with the proceeds of Loans being utilized to provide Cash Collateral for such Letter of Credit (provided that for purposes of determining the usage of the Commitment any such Extended Letter of Credit that has been, or will concurrently be, Cash Collateralized with proceeds of a Loan, the portion of such Extended Letter of Credit that has been (or will concurrently be) so Cash Collateralized will not be deemed to be utilization of the Commitment); *provided further* that no Cash Collateral will be required if the Extended Letter of Credit is cancelled or returned before the date that is 5 days prior to the Facility Maturity Date.

(b) *Grant of Security Interest.* SMUD hereby grants to the Bank, and agrees to maintain, a first priority security interest in, all Cash Collateral required to be provided by this Section 8.11 as security for the Bank's obligation to fund draws under such Extended Letters of Credit, to be applied pursuant to subsection (c) below. If at any time the Bank determines that the Cash Collateral is subject to any right or claim of any Person other than such the Bank as herein provided or that the total amount of such Cash Collateral is less than the amount required pursuant to subsection (a) above, SMUD will, promptly upon demand by the Bank, pay or provide to the Bank additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) *Application.* Notwithstanding anything to the contrary contained in this Agreement or any other Program Document, Cash Collateral provided under this Section 8.11 in respect of Extended Letters of Credit shall be applied to reimburse the Bank for all drawings made under such Extended Letters of Credit and any and all fees, expenses and charges incurred in connection therewith, prior to any other application of such property as may otherwise be provided for herein.

(d) *Cash Collateralized Letters of Credit.* Subject to clause (e) below, if SMUD has fully Cash Collateralized the Bank with respect to any Extended Letter of Credit issued by the Bank in accordance with subsections (a) through (c) above and SMUD and the Bank have made

arrangements between them with respect to the pricing and fees associated therewith (each such Extended Letter of Credit, a “*Cash Collateralized Letter of Credit*”), then for so long as such Cash Collateral remains in place (i) such Cash Collateralized Letter of Credit shall cease to be a “Letter of Credit” hereunder, (ii) such Cash Collateralized Letter of Credit shall not constitute utilization of the Commitment, (iii) the Bank shall have no further obligation to fund Loans to reimburse any drawing under any such Cash Collateralized Letter of Credit, (iv) no Letter of Credit commissions under Section 8.3(a) shall be due or payable to the Bank hereunder with respect to such Cash Collateralized Letter of Credit, and (v) any fronting fee, issuance fee or other fee with respect to such Cash Collateralized Letter of Credit shall be as agreed separately between SMUD and the Bank.

(e) *Reinstatement.* SMUD and the Bank agree that, if any payment or deposit made by SMUD or any other Person applied to the Cash Collateral required under this Section 8.11 is at any time avoided, annulled, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or is repaid in whole or in part pursuant to a good faith settlement of a pending or threatened avoidance claim, or the proceeds of any such Cash Collateral are required to be refunded by the Bank to SMUD or its estate, trustee, receiver or any other Person, under any Law or equitable cause, then, to the extent of such payment or repayment, (i) the applicable Extended Letter of Credit shall automatically be a “Letter of Credit” hereunder in a face amount equal to such payment or repayment (each such Letter of Credit, a “*Reinstated Letter of Credit*”), (ii) such Reinstated Letter of Credit shall no longer be deemed to be Cash Collateralized hereunder and shall constitute a utilization of the Commitment, (iii) the Bank shall be obligated to fund Loans to reimburse any drawing under such Reinstated Letter of Credit, (iv) Letter of Credit commissions under Section 8.3(a) shall accrue and be due and payable to the Bank with respect to such Reinstated Letter of Credit and (v) SMUD’s and the Bank’s liability hereunder (and any guarantee, Lien or collateral guaranteeing or securing such liability) shall be and remain in full force and effect, as fully as if such payment or deposit had never been made, and, if prior thereto, this Agreement shall have been canceled, terminated, paid in full or otherwise extinguished (and if any guarantee, Lien or collateral guaranteeing or securing SMUD’s or the Bank’s) liability hereunder shall have been released or terminated by virtue of such cancellation, termination, payment or extinguishment), the provisions of this Article Eight and all other rights and duties of the Bank with respect to such Reinstated Letter of Credit (and any guarantee, Lien or collateral guaranteeing or securing such liability) shall be reinstated in full force and effect, and such prior cancellation, termination, payment or extinguishment shall not diminish, release, discharge, impair or otherwise affect the obligations of such Persons in respect of such Reinstated Letter of Credit (and any guarantee, Lien or collateral guaranteeing or securing such obligation).

(f) *Survival.* With respect to any Extended Letter of Credit, each party’s obligations under this Article Eight and all other rights and duties of the Bank of such Extended Letter of Credit shall survive any assignment of rights by the Bank, the termination of the Commitment and the repayment, satisfaction or discharge of the Obligations.

[Execution Page Follows]



IN WITNESS WHEREOF, SMUD and the Bank have duly executed this Agreement as of the date first above written.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_

Name: Jennifer Restivo

Title: Treasurer

PNC BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_

Name: Kevin Stewart

Title: Senior Vice President

## EXHIBIT A

## FORM TAXABLE REVOLVING NOTE

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**TAXABLE REVOLVING NOTE (PNC REVOLVING CREDIT AGREEMENT)**

[\_\_\_\_\_], 2026 \$100,000,000

\$100,000,000

The Sacramento Municipal Utility District (“SMUD”), for value received, hereby promises to pay to the order of PNC Bank, National Association (the “Bank”), pursuant to that certain Revolving Credit Agreement dated as of [ ] 1, 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Revolving Credit Agreement*”), between SMUD and the Bank and that certain Fee Agreement dated [ ], 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Fee Agreement*”), between SMUD and the Bank, at the office of the Bank at [ ] (or such other address as designated by the Bank to SMUD in writing), the aggregate unpaid principal amount of all Obligations (as defined in the Revolving Credit Agreement), except for the principal of and interest on Tax-Exempt Loans and related Term Loans, pursuant to the Revolving Credit Agreement and the Fee Agreement on the dates and in the amounts provided for in the Revolving Credit Agreement and the Fee Agreement.

SMUD promises to pay interest on the unpaid principal amount of all Taxable Loans, related Term Loans and all other Obligations (except for the principal of and interest on Tax-Exempt Loans and related Term Loans) owed to the Bank under the Revolving Credit Agreement and the Fee Agreement on the dates and at the rate or rates provided for in the Revolving Credit Agreement and the Fee Agreement. All payments of principal and interest shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Revolving Credit Agreement.

This Taxable Revolving Note is the Taxable Note referred to in the Revolving Credit Agreement and is entitled to the benefits thereof and of the Program Documents referred to therein. As provided in the Revolving Credit Agreement, this Taxable Revolving Note is subject to prepayment, in whole or in part, in accordance with the terms of the Revolving Credit Agreement.

The Bank agrees, by acceptance of this Taxable Revolving Note, that it will make a notation on the schedule attached hereto of all Taxable Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid, all as provided in the Revolving Credit Agreement; *provided, however*, that the failure to make any such notation shall not limit or otherwise affect the obligation of SMUD hereunder with respect to payments of principal of and interest on this Taxable Revolving Note.

This Taxable Revolving Note is authorized by SMUD to be issued to provide funds for the purposes set forth in the Note Resolution and for other authorized purposes, including to pay the principal amount of Taxable Loans, related Term Loans and all other Obligations theretofore issued. This Taxable Revolving Note is issued under and pursuant to and in full compliance with the Note Resolution and the Revolving Credit Agreement providing for the issuance and sale and fixing the form and details of this Taxable Revolving Note.

This Taxable Revolving Note is an obligation of SMUD secured by a lien on the Available Revenues as more fully described in Section 2.20 of the Revolving Credit Agreement.

It is hereby certified that all conditions, acts and things essential to the validity of this Taxable Revolving Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, SMUD has caused this Taxable Revolving Note to be executed by an authorized officer of SMUD and this Taxable Revolving Note to be dated as of date set forth above.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
Name: Jennifer Restivo  
Title: Treasurer

**SCHEDULE FOR TAXABLE REVOLVING NOTE**  
**DATED [      ], 2026**  
**BY SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**PAYABLE TO PNC BANK, NATIONAL ASSOCIATION**

DATE	AMOUNT OF TAXABLE LOAN MADE	AMOUNT OF PRINCIPAL PAID	DATE TO WHICH INTEREST PAID		NOTATION MADE BY

## EXHIBIT B

### FORM TAX-EXEMPT REVOLVING NOTE

#### SACRAMENTO MUNICIPAL UTILITY DISTRICT TAX-EXEMPT REVOLVING NOTE (PNC REVOLVING CREDIT AGREEMENT)

[\_\_\_\_\_] , 2026 \$100,000,000

The Sacramento Municipal Utility District (“SMUD”), for value received, hereby promises to pay to the order of PNC Bank, National Association (the “Bank”), pursuant to that certain Revolving Credit Agreement dated as of [\_\_\_\_\_] 1, 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Revolving Credit Agreement*”), between SMUD and the Bank and that certain Fee Agreement dated [\_\_\_\_\_] , 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Fee Agreement*”), between SMUD and the Bank, at the office of the Bank at [\_\_\_\_\_] (or such other address as designated by the Bank to SMUD in writing), the aggregate unpaid principal amount of all Tax-Exempt Loans and related Term Loans (as such terms are defined in the Revolving Credit Agreement) pursuant to the Revolving Credit Agreement and the Fee Agreement on the dates and in the amounts provided for in the Revolving Credit Agreement and the Fee Agreement.

SMUD promises to pay interest on the unpaid principal amount of all Tax-Exempt Loans and related Term Loans owed to the Bank under the Revolving Credit Agreement and the Fee Agreement on the dates and at the rate or rates provided for in the Revolving Credit Agreement and the Fee Agreement. All payments of principal and interest shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Revolving Credit Agreement.

This Tax-Exempt Revolving Note is the Tax-Exempt Note referred to in the Revolving Credit Agreement and is entitled to the benefits thereof and of the Program Documents referred to therein. As provided in the Revolving Credit Agreement, this Tax-Exempt Revolving Note is subject to prepayment, in whole or in part, in accordance with the terms of the Revolving Credit Agreement.

The Bank agrees, by acceptance of this Tax-Exempt Revolving Note, that it will make a notation on the schedule attached hereto of all Tax-Exempt Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid, all as provided in the Revolving Credit Agreement; *provided, however*, that the failure to make any such notation shall not limit or otherwise affect the obligation of SMUD hereunder with respect to payments of principal of and interest on this Tax-Exempt Revolving Note.

This Tax-Exempt Revolving Note is authorized by SMUD to be issued to provide funds for the purposes set forth in the Note Resolution and for other authorized purposes, including to

pay the principal amount of Tax-Exempt Loans and related Term Loans theretofore issued. This Tax-Exempt Revolving Note is issued under and pursuant to and in full compliance with the Note Resolution and the Revolving Credit Agreement providing for the issuance and sale and fixing the form and details of this Tax-Exempt Revolving Note.

This Tax-Exempt Revolving Note is an obligation of SMUD secured by a lien on the Available Revenues as more fully described in Section 2.20 of the Revolving Credit Agreement.

It is hereby certified that all conditions, acts and things essential to the validity of this Tax-Exempt Revolving Note exist, have happened and have been done and that every requirement of law affecting the issuance hereof has been duly complied with.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, SMUD has caused this Tax-Exempt Revolving Note to be executed by an authorized officer of SMUD and this Tax-Exempt Revolving Note to be dated as of date set forth above.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
Name: Jennifer Restivo  
Title: Treasurer

**SCHEDULE FOR TAX-EXEMPT REVOLVING NOTE  
DATED [      ], 2026  
BY SACRAMENTO MUNICIPAL UTILITY DISTRICT  
PAYABLE TO PNC BANK, NATIONAL ASSOCIATION**

DATE	AMOUNT OF TAX-EXEMPT LOAN MADE	AMOUNT OF PRINCIPAL PAID	DATE TO WHICH INTEREST PAID		NOTATION MADE BY

## EXHIBIT C

### FORM OF NOTICE OF BORROWING

[Date]

TO:

PNC Bank, National Association (the “*Bank*”)

[\_\_\_\_\_]

Attention: [\_\_\_\_\_]

Telephone: [\_\_\_\_\_]

Email: [\_\_\_\_\_]

FROM: Sacramento Municipal Utility District

Re: Revolving Credit Agreement  
(the “*Credit Agreement*”) dated as of [\_\_\_\_\_] 1, 2026, between  
Sacramento Municipal Utility District and the Bank

We hereby give notice, pursuant to Section 2.2(a) of the Credit Agreement, of the following proposed Borrowing:

Date of Borrowing ..... [Date]  
Loan Principal Amount..... [\$xx,xxx,xxx]  
Amount of Loans Outstanding..... [\$xxx,xxx,xxx]

The proceeds of such Loan are to be wire transferred to the following account:

Pay: **[Account Name: SMUD General Account  
Bank Name: Bank of America  
ABA Number: 026 009 593  
Account Number: 01488-80182]**

The Loan constituting such Borrowing is

to be a (check applicable box):

Taxable Loan [\_\_]

Tax-Exempt Loan       

**[Attached hereto is an executed copy of the [Tax Certificate/Supplemental Tax Certificate] relating to such Tax-Exempt Loan which includes the related form 8038-G.]**

The rates of interest on the Loan will not exceed the Maximum Interest Rate.

The undersigned hereby acknowledges on and as of the date hereof that submission of this notice shall be deemed to be a representation and warranty by SMUD on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of Section 3.2 of the Credit Agreement and that no Default or Event of Default has occurred and is continuing.

Terms used herein have the meanings assigned to them in the Credit Agreement.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT D

### [FORM OF NOTICE OF CONVERSION]

#### NOTICE OF CONVERSION

PNC Bank, National Association (the “*Bank*”)

[\_\_\_\_\_]

Attention: [\_\_\_\_\_]

Telephone: [\_\_\_\_\_]

Email: [\_\_\_\_\_]

Re: Sacramento Municipal Utility District

Ladies and Gentlemen:

The undersigned, an Authorized SMUD Representative, refers to the Revolving Credit Agreement, dated as of [\_\_\_\_\_] 1, 2026 (together with any amendments or supplements thereto, the “*Agreement*”), between Sacramento Municipal Utility District and the Bank (the terms defined therein being used herein as therein defined) and hereby gives Bank notice irrevocably, pursuant to Section 2.2(a)(ii) of the Agreement, of the conversion of the Loan(s) specified herein, that:

1. The Business Day of the proposed conversion is \_\_\_\_\_, 20\_\_\_\_ (the “*Conversion Date*”), which is at least two (2) U.S. Government Securities Business Days following the date hereof.
2. The aggregate amount of the Loan(s) to be converted is \$\_\_\_\_\_.
3. The Loan(s) is/are Tax-Exempt Loan(s) to be converted into a Taxable Loan(s).
4. The principal amount of the Loans to be outstanding following the conversion will not exceed the Commitment as of the Conversion Date set forth in 1 above.

The undersigned hereby acknowledges on and as of the date hereof that submission of this notice shall be deemed to be a representation and warranty by SMUD on the Conversion Date as to the facts specified in clauses (b), (c) and (d) of Section 3.2 of the Credit Agreement and that no Default or Event of Default has occurred and is continuing.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Continuation as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT E**

**FORM OF**  
**REQUEST FOR EXTENDED FUNDED PERIOD**

[DATE]

To:

PNC Bank, National Association (the “*Bank*”)

[\_\_\_\_\_]

Attention: [\_\_\_\_\_]

Telephone: [\_\_\_\_\_]

Email: [\_\_\_\_\_]

Ladies and Gentlemen:

The undersigned, Sacramento Municipal Utility District (“SMUD”), hereby refers to the Revolving Credit Agreement dated as of [\_\_\_\_\_] 1, 2026, as amended, modified, supplemented or restated from time to time (the “*Credit Agreement*”), between SMUD and PNC Bank, National Association (the “*Bank*”). All capitalized terms contained herein which are not specifically defined shall have the meanings assigned to such terms in the Credit Agreement.

SMUD hereby requests, pursuant to Section 2.22 of the Credit Agreement, that the Term Loans be payable as provided in Section 2.22 of the Credit Agreement with interest as provided in Section 2.22 of the Credit Agreement.

In connection with such request, SMUD hereby represents and warrants that:

(a) no Credit Default or Credit Event of Default shall have occurred and be continuing on the date hereof and no Credit Default or Credit Event of Default will have occurred and be continuing on the Facility Maturity Date,

(b) (1) there has been no material adverse change in SMUD’s business, assets, liabilities, financial condition, results of operations or business prospects which could reasonably be expected to result in a material adverse effect on SMUD’s ability to perform its obligations under this Agreement and the Program Documents or the rights, security or interests of the Bank hereunder and under the Program Documents and (2) no event described in clause (b) of the definition of Material Adverse Change shall have occurred and be continuing on the date hereof and no event described in clause (b) of the definition of Material Adverse Change will have occurred on the Facility Maturity Date.

We have enclosed along with this request the following information:

1. The nature of any and all Defaults and Events of Default; and

2. Any other pertinent information previously requested by the Bank.

Very truly yours,

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Draft Fee Agreement  
(PNC Bank, National Association)**

**FEE AGREEMENT**  
**DATED [\_\_\_\_\_], 2026**

Reference is hereby made to that certain Revolving Credit Agreement dated as of [\_\_\_\_\_] 1, 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*Agreement*”), between the SACRAMENTO MUNICIPAL UTILITY DISTRICT, a municipal utility district of the State of California (“SMUD”), and PNC BANK, NATIONAL ASSOCIATION (the “*Bank*”), relating to the Sacramento Municipal Utility District, Taxable Revolving Note (PNC Revolving Credit Agreement) and Tax-Exempt Revolving Note (PNC Revolving Credit Agreement). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Agreement (this “*Fee Agreement*”) is to confirm the agreement between the Bank and SMUD with respect to, among other things, the Commitment Fees (as defined below), the Taxable Applicable Spread and Tax-Exempt Applicable Spread and certain other fees payable to the Bank. This Fee Agreement is the Fee Agreement referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement. This Fee Agreement and the Agreement are to be construed as one agreement between SMUD and the Bank, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Agreement.

**ARTICLE I. FEES AND OTHER AGREEMENTS.**

*Section 1.1. Commitment Fees.* SMUD hereby agrees to pay to the Bank on April 10, 2026, for the period commencing on the Closing Date and ending on March 31, 2026, and quarterly in arrears on the tenth (10th) calendar day of each July, October, January and April (each, a “*Quarterly Payment Date*”) occurring prior to the Termination Date, and on the Termination Date, a non-refundable commitment fee (the “*Commitment Fee*”) in an amount equal to the rate per annum based upon the applicable Level corresponding to the then applicable Rating (as defined below) for each day during the related fee period, as specified below (the “*Commitment Fee Rate*”), on the Unutilized Commitment from time to time in effect for each day during each related period:

COMMITMENT FEE RATE

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	UNUTILIZED COMMITMENT < 50% OF COMMITMENT	UNUTILIZED COMMITMENT ≥ 50% OF COMMITMENT
Level 1	Aa3 or above	AA- or above	AA- or above	0.15%	0.20%
Level 2	A1	A+	A+	0.20%	0.25%
Level 3	A2	A	A	0.30%	0.35%
Level 4	A3	A-	A-	0.40%	0.45%
Level 5	Baa1	BBB+	BBB+	0.50%	0.55%
Level 6	Baa2	BBB	BBB	0.60%	0.65%
Level 7	Baa3	BBB-	BBB-	0.70%	0.75%
Level 8	Below Baa3	BBB-	Below BBB-	2.70%	2.75%

The term “*Unutilized Commitment*” as used herein means the Commitment, as of the Closing Date, as permanently reduced from time to time in accordance with the Agreement less the outstanding principal amount of any Loans under the Agreement. The term “*Rating*” as used herein shall mean the long-term unenhanced debt rating assigned by Moody’s, Fitch and S&P to any Debt of SMUD secured by or payable from Net Revenues on a parity with Bonds and Parity Bonds. In the event of a split rating (*i.e.*, the Rating of one of the Rating Agencies’ is different than the Rating of any of the other Rating Agencies), the Commitment Fee Rate shall be based upon the Level in which the lower of the two highest Ratings appears; *provided, however*, if less than three Rating Agencies then assign a long-term unenhanced debt rating to Bonds and Parity Bonds, the Commitment Fee Rate shall be based upon the Level in which the lower Rating appears. Any change in the Commitment Fee Rate resulting from an Event of Default or change, withdrawal or suspension of a Rating shall be and become effective as of and on the date of the Event of Default or the date of the announcement of the change, withdrawal or suspension of such Rating. References to ratings levels above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, including, without limitation, any recalibration or realignment of Rating in connection with the adoption of a “global” rating scale, the rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. In the event that a Rating is suspended or withdrawn (for the avoidance of doubt, a decision by SMUD to cause a Rating Agency to no longer maintain its Rating, for non-credit related reasons and not for the purpose of avoiding the occurrence of an event of default, shall not constitute a suspension or withdrawal of such Rating) from any Rating Agency or upon the occurrence of and during the continuance of an Event of Default, the Commitment Fee Rate shall increase to the Commitment Fee Rate specified above for Level 6 above. The Commitment Fees shall be payable as set forth above, together with interest

on the Commitment Fees from the date payment is due until payment in full at the Default Rate. The Commitment Fee shall be payable in immediately available funds and computed on the basis of a year of 360 days and the actual number of days to elapse. SMUD acknowledges that as of the Closing Date the Commitment Fee Rate is that specified above for Level 1.

*Section 1.2. Amendment, Consent or Waiver Fee.* SMUD agrees to pay to the Bank on the date of each amendment, supplement, or modification to the Agreement or this Fee Agreement (or any Program Document, the amendment, supplement or modification of which requires the consent of, or waiver from, the Bank), a non-refundable fee in an amount, if any, agreed to by the Bank and SMUD after the Bank has provided SMUD with an estimate of such fee and SMUD has approved such fee estimate in writing plus the reasonable fees and expenses of any legal counsel retained by the Bank in connection therewith in an amount agreed to by the Bank and SMUD after the Bank has provided SMUD with an estimate of such fees and expenses of legal counsel and SMUD has approved such fee and expense estimate in writing.

*Section 1.3. Taxable Applicable Spread, Tax-Exempt Applicable Spread and L/C Fee Rate.* For purposes of the Agreement, the “Taxable Applicable Spread,” the “Tax-Exempt Applicable Spread” and “L/C Fee Rate” means a rate per annum based upon the applicable Level corresponding to the then applicable Rating in the applicable column, as specified below:

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	TAXABLE APPLICABLE SPREAD	EXEMPT APPLICABLE SPREAD	TAX- L/C FEE RATE
Level 1	Aa3 or above	AA- or above	AA- or above	0.42%	0.33%	0.45%
Level 2	A1	A+	A+	0.47%	0.38%	0.50%
Level 3	A2	A	A	0.57%	0.48%	0.60%
Level 4	A3	A-	A-	0.67%	0.58%	0.70%
Level 5	Baa1	BBB+	BBB+	0.77%	0.68%	0.80%
Level 6	Baa2	BBB	BBB	0.87%	0.78%	0.90%
Level 7	Baa3	BBB-	BBB-	0.97%	0.88%	1.00%
Level 8	Below Baa3	Below BBB-	Below BBB-	2.97%	2.88%	3.00%

In the event of a split rating (*i.e.*, the Rating of one of the Rating Agencies' is different than the Rating of any of the other Rating Agencies), the Taxable Applicable Spread, Tax-Exempt Applicable Spread and L/C Fee Rate shall be based upon the Level in which the lower of the two highest Ratings appears; *provided, however*, if less than three Rating Agencies then assign a long-term unenhanced debt rating to Bonds and Parity Bonds, the Taxable Applicable Spread, Tax-Exempt Applicable Spread and L/C Fee Rate shall be based upon the Level in which the lower Rating appears. Any change in the Taxable Applicable Spread, Tax-Exempt Applicable Spread and L/C Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings levels above are references to rating categories as presently determined by the Rating Agencies and in the event of

adoption of any new or changed rating system, including, without limitation, any recalibration or realignment of Rating in connection with the adoption of a “global” rating scale, the rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. In the event that a Rating is suspended or withdrawn (for the avoidance of doubt, a decision by SMUD to cause a Rating Agency to no longer maintain its Rating, for non-credit related reasons and not for the purpose of avoiding the occurrence of an event of default, shall not constitute a suspension or withdrawal of such Rating) from any Rating Agency or upon the occurrence of and during the continuance of an Event of Default, the Loans shall bear interest at the Default Rate. SMUD acknowledges that as of the Closing Date the Taxable Applicable Spread, Tax-Exempt Applicable Spread and L/C Fee Rate are the spreads and rate, as applicable, that are specified above for Level 1 in this Section 1.3.

## ARTICLE II. MISCELLANEOUS.

*Section 2.1. Amendments.* No amendment to this Fee Agreement shall become effective without the prior written consent of SMUD and the Bank.

*Section 2.2. Governing Law.* PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW (OR ANY SUCCESSOR STATUTE THERETO), THIS FEE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW; PROVIDED, HOWEVER, THAT THE CAPACITY, POWER AND AUTHORITY OF SMUD TO ENTER INTO THIS FEE AGREEMENT AND THE OBLIGATIONS OF SMUD HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW WITHOUT REGARD TO CHOICE OF LAW RULES.

*Section 2.3. Counterparts.* This Fee Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. Delivery of an executed counterpart of a signature page of this Fee Agreement by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, will be effective as delivery of a manually executed counterpart of this Fee Agreement, and any printed or copied version of any signature page so delivered will have the same force and effect as an originally signed version of such signature page.

*Section 2.4. Severability.* Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 2.5. Representation by Legal Counsel; Joint Preparation.* The parties hereto have participated jointly in the negotiation and drafting of this Fee Agreement, and each of the parties was represented by its respective legal counsel during the negotiation and execution of this Fee Agreement. In the event an ambiguity or question of intent or interpretation arises, this Fee Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of

proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Fee Agreement.

*Section 2.6. No Disclosure.* Unless required by law, SMUD shall not deliver or permit, authorize or consent to the delivery of this Fee Agreement to any Person (other than SMUD's attorneys, accountants or auditors) or for posting on the Electronic Municipal Market Access website as provided by the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent. The Bank acknowledges and agrees, however, that this Fee Agreement was made available to the public for the meetings of the SMUD Board of Directors at which the SMUD Board of Directors considered the approval of the execution and delivery of this Fee Agreement.

*Section 2.7. Payment Due on Non-Business Day to Be Made on Next Business Day.* If any sum becomes payable pursuant to this Fee Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
Name: Jennifer Restivo  
Title: Treasurer

PNC BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_

Name: Kevin Stewart

Title: Senior Vice President