

# SMUD BOARD POLICY



**Category:** Strategic Direction  
**Policy No.:** SD-3  
**Title:** Access to Credit Markets

Maintaining access to credit is a core value of SMUD.

Therefore:

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

**Monitoring Method:** CEO Report

**Frequency:** Annual

**Versioning:**

May 1, 2003	Resolution No. 03-05-07	Date of Adoption.
October 16, 2003	Resolution No. 03-10-14	Date of Revision.
May 6, 2004	Resolution No. 04-05-06	Date of Revision.
February 3, 2005	Resolution No. 05-02-04	Date of Revision.
January 24, 2008	Resolution No. 08-01-08	Date of Revision.
August 7, 2008	Resolution No. 08-08-03	Date of Revision.
October 16, 2008	Resolution No. 08-10-09	Date of Revision.
June 17, 2010	Resolution No. 10-06-09	Date of Revision.
February 6, 2014	Resolution No. 14-02-03	Date of Revision.
February 15, 2018	Resolution No. 18-02-04	Date of Revision.
September 21, 2023	Resolution No. 23-09-02	Date of Revision. [Current Policy]