



Municipal Market Disclosure Information Cover Sheet

This Filing Applies to:

1. City of Sacramento, Water Revenue Bonds, Series 2017, \$52,610,000, Dated: June 22, 2017
786089HD7, 786089HE5, 786089HF2, 786089HG0, 786089HH8, 786089HJ4, 786089HK1,
786089HL9, 786089HM7, 786089HN5, 786089HP0, 786089HQ8, 786089HR6, 786089HS4,
786089HT2, 786089HU9, 786089HV7, 786089HW5, 786089HX3, 786089HY1

TYPE OF FILING:

If information is also available on the Internet, give URL: www.dacbond.com

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)**Financial / Operating Data Disclosures****Rule 15c2-12 Disclosure**

Annual Financial Information & Operating Data (Rule 15c2-12)

2019 Operating Data - Series 2017 Water

Audited Financial Statements or CAFR (Rule 15c2-12)

Failure to provide as required

Additional / Voluntary Disclosure

Quarterly / Monthly Financial Information

Change in Fiscal Year / Timing of Annual Disclosure

Change in Accounting Standard

Interim / Additional Financial Information / Operating Data

Budget

Investment / Debt / Financial Policy

Information Provided to Rating Agency, Credit / Liquidity Provider or Other Third Party

- Consultant Reports
- Other Financial / Operating Data

Event Filing

Rule 15c2-12 Disclosure

- Principal / Interest Payment Delinquency
- Non-payment Related Default
- Unscheduled Draw on Debt Service Reserve Reflecting Financial Difficulties
- Unscheduled Draw on Credit Enhancement Reflecting Financial Difficulties
- Substitution of Credit or Liquidity Provider, or Its Failure to Perform
- Adverse Tax Opinion or Event Affecting the Tax-exempt Status of the Security
- Modification to the Rights of Security Holders
- Bond Call
- Defeasance
- Release, Substitution or Sale of Property Securing Repayment of the Security
- Rating Change
- Tender Offer / Secondary Market Purchases
- Merger / Consolidation / Acquisition and Sale of All or Substantially All Assets
- Bankruptcy, insolvency, receivership or similar event
- Successor, Additional or Change in Trustee
- Failure to Provide Event Filing Information as Required
- Financial Obligation - Incurrence and Agreement
- Financial Obligation - Event Reflecting Financial Difficulties

Additional / Voluntary Disclosure

- Amendment to Continuing Disclosure Undertaking
- Change in Obligated Person
- Notice to Investor Pursuant to Bond Documents
- Communication From the Internal Revenue Service
- Bid For Auction Rate or Other Securities
- Capital or Other Financing Plan
- Litigation / Enforcement Action
- Change of Tender Agent, Remarketing Agent or Other On-going Party
- Derivative or Other Similar Transaction
- Other Event-based Disclosures

Asset-Backed Securities Filing

Additional / Voluntary Disclosure

- Initial Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(1))
- Quarterly Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(i))
- Annual Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(ii))
- Other Asset-Backed Securities Disclosure (e.g. notice of termination of duty to file reports pursuant to SEC Rule 15Ga-1(c)(3))

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Entity: City of Sacramento

Digital Assurance Certification

Filing Certificate

DAC transmitted the Annual Financial Information & Operating Data (Rule 15c2-12) to EMMA/SID (if applicable) on behalf of City of Sacramento under their SEC Rule 15c2-12 Continuing Disclosure Agreement.

Transmission Details: ER1015251

Date & Time Stamp: 03/30/2020

Document Name or Event Type: Annual Financial Information & Operating Data (Rule 15c2-12)

Document Description: 2019 Operating Data - Series 2017 Water

DAC Bond Coversheet: Yes

Transmitted to: MSRB-EMMA

Total CUSIPs associated with this Filing: 20

Filing made on Series: 2017

Codes: **P** (Prerefunded), **R** (Refunded), **U** (Unrefunded), **E** (Escrowed), **A** (Advance Refunding), **D** (Defeased), **T** (Tendered), **V** (Derivatives), **UD** (Undetermined), **NLO** (No Longer Outstanding)

Red: Original CUSIPs - filing missed · **Blue:** Non-Original CUSIPs - filing missed · **Green:** Outstanding CUSIPs - filing made
 · **Black:** Inactive CUSIPs

1. Issue: City of Sacramento, Water Revenue Bonds, Series 2017, \$52,610,000, Dated: June 22, 2017

CUSIP: 786089HD7, 786089HE5, 786089HF2, 786089HG0, 786089HH8, 786089HJ4, 786089HK1, 786089HL9, 786089HM7, 786089HN5, 786089HP0, 786089HQ8, 786089HR6, 786089HS4, 786089HT2, 786089HU9, 786089HV7, 786089HW5, 786089HX3, 786089HY1

No missing CUSIPs for this bond issue

**City of Sacramento
Annual Disclosure Report
Fiscal Year 2018/19**

Issue	City of Sacramento Water Revenue Bonds, Series 2017
Par	\$52,610,000
Issued	June 22, 2017
CUSIP Numbers	786089HC9 786089HD7 786089HE5 786089HF2 786089HG0 786089HH8 786089HJ4 786089HK1 786089HL9 786089HM7 786089HN5 786089HP0 786089HQ8 786089HR6 786089HS4 786089HT2 786089HU9 786089HV7 786089HW5 786089HX3 786089HY1

Content of Annual Report

The City's Annual Report shall contain or incorporate by reference the following:

- (a) The City's comprehensive audited financial report for the prior fiscal year.**

The City's comprehensive Annual Financial Report (CAFR) for the prior fiscal year has been uploaded as a separate document. The CAFR is also available on the city's website at:

<http://www.cityofsacramento.org/Finance/Accounting/Reporting>

(b) An annual report updating the following tables contained in the Official Statement for the Series 2017 Bonds, dated June 22, 2017, to reflect actual results of the most recently completed fiscal year (projections need not be updated):

(1) Table 2 - Average Water Production

(2) Table 4 - Number of Connections by User Type

(3) Table 5 - Largest Users by Service Charge Revenues

(4) Table 7 - Selected Monthly Rates

(5) Table 8 - Uncollected Water System Charges

(5) Table 11 - Summary of Projected Operating Results (to be updated to show actual results of most recently completed fiscal year; projections of future fiscal years do not have to be updated or included in Annual Report.)

See Exhibit A - Table 2

See Exhibit B - Table 4

See Exhibit C - Table 5

See Exhibit D - Table 7

See Exhibit E - Table 8

See Exhibit F - Table 11

Additional Information:

The spread of the novel strain of coronavirus called COVID-19 (“COVID-19”) is having significant negative impacts throughout the world, including in the City. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the City, State and the United States. The purpose behind these declarations are to coordinate and formalize emergency actions and across federal, state and local governmental agencies, and to proactively prepare for a wider spread of the virus.

To date there have been a number of confirmed cases of COVID-19 in Sacramento County and health officials are expecting the number of confirmed cases to grow. The outbreak has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools throughout the United States. The U.S. is restricting certain non-US citizens and permanent residents from entering the country. In addition, stock markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the economic and other impacts of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. Although the ultimate impact of COVID-19 on the Water System's operations and finances is unknown at this time, there can be no assurances it will not be material and adverse.

Voluntary Supplemental Information:

The following information is provided voluntarily and may or may not be provided in the future.

See Exhibit G - Outstanding Water Fund Debt Service

Exhibit A

Table 2
Average Water Production
Fiscal Year Ending June 30, 2019

Water Source	Annual Production	Contribution Percentage	Average Daily Production Rate Over Year (MGD)	Max Month Average Daily Production Rate (MGD)
Sacramento River Water Treatment Plant	10,183	34.7%	28	59
Fairbairn Water Treatment Plant	10,223	34.9%	28	32
Groundwater Wells	8,908	30.4%	24	32
Total	29,314	100%	80	123

Notes: MG = million gallons; MGD = million gallons per day

Source: City of Sacramento

Exhibit B

Table 4
Number of Connections by User Type
(Fiscal Year Ending June 30)

User Type	2015 ⁽¹⁾	2016	2017	2018	2019
Residential	126,624	126,973	127,810	129,277	131,277
Commercial/Industrial	9,118	9,157	11,428	11,458	11,554
Total All Users ⁽¹⁾	135,742	136,130	139,238	140,735	142,831

(1) The number of connections reported in the FY15 CAFR was understated and was corrected in a prior disclosure.

Source: The City of Sacramento

Exhibit C

Table 5
City of Sacramento
Water System
Largest Users by Service Charge Revenues
Fiscal Year Ending June 30, 2019

User	Service Charge Revenue	Percentage of System Revenue
City Of Sacramento	4,191,957	3.28%
State Of California	1,176,956	0.92%
Sacto City Unified School District	1,002,356	0.78%
Proctor & Gamble Mfg Co	728,708	0.57%
Sacramento Housing And Redevelopment Agency	634,058	0.50%
SMUD (Sacramento Power Authority)	502,936	0.39%
Hp Hood Llc	485,132	0.38%
Cg Woodlands Limited Partnership	401,968	0.31%
Riverpoint - 714 Llc	359,691	0.28%
HRA Woodlake Vlg LLC	332,459	0.26%
Total	9,816,221	7.67%
	127,868,000.00	

Total revenue of approximately \$127.9 million in Fiscal Year 2019.

Source: The City of Sacramento

Exhibit D

Table 7
City of Sacramento
Water System
Selected Monthly Rates

	July 1, 2019
Flat Water Rates (\$/month)	
Single Family Residential:	
1-3 Rooms	47.32
4-5 Rooms	61.58
6-9 Rooms	66.95
10-15 Rooms	77.35
Over 15, each additional room	5.43
Metered Water Use, Unit Rate:	
Water Usage Rates (\$/CCF):	1.4587
Service Charge (\$/month)	
Water Meter Size:	
5/8" x 3/4"	35.72
3/4"	35.72
1"	35.72
1 1/2"	67.29
2"	105.15
<p>*On March 29, 2016, the City Council approved four-year rate increases for water (10% per year), to effect on July 1, 2016, July 1, 2017, July 1, 2018, and July 1, 2019 respectively.</p>	
<p>Source: The City of Sacramento</p>	

Exhibit E

Table 8
City of Sacramento
Water System
Uncollected Water System Charges
(Fiscal Year Ending June 30)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City Water Charges	\$ 260,355	\$ 240,064 ⁽¹⁾	\$ 190,529	\$ 167,798	\$ 142,743

(1) Please note that in the FY17 and FY18 disclosure filings, the uncollected water charges reported for FY16 was overstated as \$250,470.

Source: The City of Sacramento

Exhibit F

**Table 11
City of Sacramento
Water System
Actual Operating Results (in thousands)**

Actual Operating Results	Notes	2018/19
<u>Operating Revenues</u>		
Utility Rate Fees		\$ 127,017
Wholesale Water Sales		\$ 851
Impact Fees		\$ 5,141
Interest Earnings	1)	\$ 6,570
Miscellaneous Revenues		\$ 2,128
Total Operating Revenues:		\$ 141,707
<u>General Fund Tax Transfer Out:</u>		
General Fund Tax	2)	\$ (13,694)
System Net Revenues		\$ 128,013
<u>Maintenance and Operation Costs</u>		
Employee Services		\$ (42,161)
Services and Supplies		\$ (19,198)
Total Maintenance and Operation Costs		\$ (61,359)
(Deposit to) / Withdrawal From Rate Stabilization Fund:	3)	\$ -
System Net Revenues		\$ 66,654
<u>Debt Service</u>		
<u>Parity Obligations and Bonds</u>		
California Department of Public Health Loan (ARRA Loan)	4)	\$ (702)
Water Revenue Bonds, Series 2013		\$ (14,083)
Water Revenue Bonds, Series 2017		\$ (3,375)
California State Water Resources Control Board Drinking Water Loan (SRF Loan)		\$ (163)
Subtotal Parity Obligations and Bonds Debt Service		\$ (18,323)
<u>Subordinate Obligations</u>		
Subordinate Debt Service - (N/A at this time)		\$ -
Subtotal Subordinate Obligations Debt Service		\$ -
<u>Unsecured Obligations</u>		
2015 Refunding Revenue Bonds - Plant Expansion	5)	\$ (6,882)
2006 Capital Improvement Bond, Series E - Plant Expansion		\$ (4,844)
Subtotal Unsecured Obligations Debt Service		\$ (11,726)
Total Water Fund Debt Service (Parity/Bonds + Subordinate + Unsecured)		\$ (30,049)
<u>Coverage Requirement Compliance</u>		
Parity Obligations and Bonds (Requirement is 1.20 times)		3.638 x
Parity / Bonds + Subordinate Obligations + Unsecured Obligations (Requirement is 1.00 Times)		2.218 x
<u>Cash Funding of Facilities</u>		
Capital Outlay (PayGo & Use of Water Fund Capital Reserve)		\$ (14,163)
<u>Net Change to Fund Balance</u>		
Beginning Water Fund Balance:	6)	\$ 70,802
Ending Water Fund Balance:		\$ 103,029

Exhibit F

Notes

- 1) Includes interest earnings/revenue associated with Water Development Fees Fund and the Water Use Fee Fund. The large increase in interest earnings between Fiscal Year 2017-18 and Fiscal Year 18-19 is attributable to the large increase in fair market value of the City's Pool A investment portfolio during that timeframe. The Water Fund is a participant of the City's Pool A and realized a proportionate benefit in the favorable change in market value in the fair market value of the City's Pool A portfolio.
- 2) Miscellaneous revenues include Miscellaneous, Transfer in, Grants and Other Capital, and Revenues from Other Agencies. The Transfers In are generally income derived from fleet vehicles sales. The Fiscal Year 2015-16 miscellaneous revenues increased due to contributed capital for the private development dedications.
- 3) Pursuant to Measure I of the City Code (Section 41.10.150 which was superseded by Section 3.20.010), the voter-approved general fund tax is equal to 11% of the collected utility rate revenue. City utility service rates are set at the amounts necessary to pay the City's costs of service, which includes the general fund tax. The general fund tax is calculated on an annual basis and transferred to the City's General Fund each year to support city wide services. See "-- General Fund Tax on Wastewater System Revenues.
- 4) Adjustments to the Rate Stabilization Fund are estimated to result in the Rate Stabilization Fund being funded in an amount equal to 25% of all current maximum debt service (parity, subordinate and unsecured).
- 5) Pursuant to the terms of the Funding Agreement between the California Department of Public Health and the City, deposits to the reserve fund must be made over the first ten years of the loan repayment term.
- 6) Existing payments by the Water Fund to the City's General Fund to cover existing general fund debt for water-related facilities associated with the City's Master Lease revenue Bond Program. The Water Fund revenue is utilized, but not directly pledged, to make debt service payments.
- 7) The Beginning Unrestricted Fund Balance is based on the City's budgetary basis of accounting which treats purchase order encumbrances and multi-year project appropriations as expended in the year appropriated. As a result, the Beginning Unrestricted Fund Balance is significantly lower than the unrestricted cash and investments reported in the City's Comprehensive Annual Financial Report.

Exhibit G

**Exhibit G
Outstanding Water Fund Debt Service
(as of June 30, 2019)**

Fiscal Year	Parity Obligations and Bonds				Unsecured Obligations ⁽¹⁾		Total Obligations and Bonds
	2013 Water Revenue Bonds ⁽²⁾	ARRA Loan ⁽²⁾⁽³⁾	2017 Water Revenue Bonds ⁽²⁾	2017 Drinking Water Loan ⁽²⁾⁽⁴⁾	2015 Refunding Revenue Bonds ⁽²⁾⁽⁵⁾	2006 Capital Improvement Revenue Bonds, Series E ⁽²⁾	
FY20	14,017,000.00	702,382.25	3,375,537.50	2,431,519.11	6,877,775.00	4,844,583.90	32,248,797.76
FY21	14,013,500.00	702,382.25	3,378,162.50	2,821,444.08	6,863,825.00	4,844,583.90	32,623,897.73
FY22	14,013,625.00	702,382.25	3,378,537.50	10,247,716.50	6,854,375.00	4,844,583.90	40,041,220.15
FY23	14,016,625.00	670,455.79	3,376,662.50	10,247,716.50		11,087,408.10	39,398,867.89
FY24	14,015,125.00	638,529.32	3,377,412.50	10,247,716.50		11,081,158.50	39,359,941.82
FY25	14,015,750.00	638,529.32	3,375,662.50	10,247,716.50		11,071,460.71	39,349,119.03
FY26	14,014,625.00	638,529.32	3,376,287.50	10,247,716.50		11,062,328.31	39,339,486.63
FY27	14,016,125.00	638,529.32	3,379,037.50	10,247,716.50		11,047,940.90	39,329,349.22
FY28	14,017,750.00	638,529.32	3,378,787.50	10,247,716.50		11,041,887.96	39,324,671.28
FY29	14,016,500.00	638,529.32	3,375,537.50	10,247,716.50		11,028,256.96	39,306,540.28
FY30	14,013,375.00	638,529.32	3,379,037.50	10,247,716.50		11,011,061.50	39,289,719.82
FY31	14,017,375.00	638,529.32	3,379,037.50	10,247,716.50		10,998,844.00	39,281,502.32
FY32	14,017,500.00	638,529.32	3,375,537.50	10,247,716.50		10,985,267.81	39,264,551.13
FY33	14,013,000.00	319,264.68	3,378,287.50	10,247,716.50		10,969,043.36	38,927,312.04
FY34	14,017,750.00		3,377,037.50	10,247,716.50			27,642,504.00
FY35	14,015,625.00		3,376,662.50	10,247,716.50			27,640,004.00
FY36	14,015,625.00		3,376,312.50	10,247,716.50			27,639,654.00
FY37	14,016,500.00		3,376,612.50	10,247,716.50			27,640,829.00
FY38	14,017,000.00		3,378,812.50	10,247,716.50			27,643,529.00
FY39	14,015,875.00		3,377,237.50	10,247,716.50			27,640,829.00
FY40	14,016,750.00		3,375,862.50	10,247,716.50			27,640,329.00
FY41	14,013,250.00		3,378,987.50	10,247,716.35			27,639,953.85
FY42	14,013,875.00		3,376,362.50				17,390,237.50
FY43	14,016,875.00		3,377,737.50				17,394,612.50
FY44			3,374,406.25				3,374,406.25
FY45			3,375,687.50				3,375,687.50
FY46			3,374,225.00				3,374,225.00
FY47			3,374,625.00				3,374,625.00
FY48			3,376,362.50				3,376,362.50
Total	336,377,000.00	8,843,631.10	97,930,456.25	210,207,293.04	20,595,975.00	135,918,409.81	809,872,765.20

- 1) Unsecured Obligations represent the appropriated amount of debt from certain financing and are obligations of the City's General Fund.
- 2) Debt service includes both principal and interest amounts.
- 3) Pursuant to the terms of the Funding Agreement between the California Department of Public Health and the City, deposits to the ARRA Loan reserve fund must be made over the first ten years of the loan repayment term. The amounts shown here include \$31,926.47 per semiannual payment through FY 2022.
- 4) In December 2017, the City obtained \$173.1 million in funding of parity obligation bonds from the California State Water Resources Control Board's Drinking Water State Revolving Fund. This debt service schedule is from the Installment Sale Agreement and because the City has not been reimbursed the full loan amount, this debt service schedule may change.