



Municipal Market Disclosure Information Cover Sheet

This Filing Applies to:

1. City of Sacramento, Water Revenue Bonds, Series 2013, \$215,195,000, Dated: March 28, 2013
786089GG1

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)
2023 - Annual Continuing Disclosure Report - Water Revenue Bonds, Series 2013
- Audited Financial Statements or ACFR (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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Certification Authorized By:

/s/ Claudia Lara

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Title: Debt Analyst

Entity: Sacramento, CA, 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 Sacramento, CA, City of Sacramento under their SEC Rule 15c2-12 Continuing Disclosure Agreement.

Transmission Details: P11313787

Date & Time Stamp:	03/18/2024
Document Name or Event Type:	Annual Financial Information & Operating Data (Rule 15c2-12)
Document Description:	2023 - Annual Continuing Disclosure Report - Water Revenue Bonds, Series 2013
DAC Bond Coversheet:	Yes
Transmitted to:	MSRB-EMMA
Total CUSIPs associated with this Filing:	1
Filing made on Series:	2013

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 2013, \$215,195,000, Dated: March 28, 2013

CUSIP: **786089GG1**

No missing CUSIPs for this bond issue

City of Sacramento
Annual Continuing Disclosure Report
Fiscal Year 2022-23

Issue City of Sacramento
Water Revenue Bonds

Series Series 2013

Par \$ 215,195,000

Issued March 28, 2013

CUSIP Number 786089GG1

Note: *The City is migrating from using a .org domain extension to a .gov domain extension. During the migration the hyperlinks below will be re-routed to the .gov domain extension. In the event, the hyperlinks below are no longer accessible, please type in the URL in your internet browser using the .gov domain extension.*

Content of Annual Report

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

- (a) The City's audited Annual Comprehensive Financial Report (ACFR) for the prior fiscal year.**

The City's ACFR for the prior fiscal year was uploaded as a separate document to EMMA. The ACFR will be available on the City's website in the first quarter of calendar 2024 at:

www.cityofsacramento.org/Finance/Accounting/Reporting

(b) An annual report updating the following tables contained in the Official Statement for the Series 2013 Bonds, dated June 27, 2013, to reflect actual results of the most recently completed fiscal year (projections need not be updated):

See Exhibit A (1) Table 2 – Average Water Production

See Exhibit B (2) Table 5 - Number of Connections by User Type*

*Listed as “Table 4 – Number of Connections by User Type” in the Official Statement and Continuing Disclosure

See Exhibit C (3) Table 6 - Largest Users by Service Charge Revenues*

*Listed as “Table 5 – Largest Users by Service Charge Revenues” in the Official Statement and Continuing Disclosure

See Exhibit D (4) Table 8 - Selected Monthly Rates*

*Listed as “Table 7 – Selected Monthly Rates” in the Official Statement and Continuing Disclosure

See Exhibit E (5) Table 9 - Uncollected Water System Charges*

*Listed as “Table 8 – Uncollected Water System Charges” in the Official Statement and Continuing Disclosure

See Exhibit F (6) Table 11 - Summary of Historical Operating Results*

*Listed as “Table 11 - Summary of Projected Operating Results” in both the Official Statement and Continuing Disclosure Certificate

Voluntary Disclosure

See Exhibit G – Outstanding Water Fund Debt Service

Table 2
Average Water Production
Fiscal Year Ending June 30, 2023

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	9,481	34.4%	26	58
Fairbairn Water Treatment Plant	10,338	37.5%	28	37
Groundwater Wells	7,753	28.1%	21	38
Total	27,572	100%	76	133

MG = million gallons; MGD = million gallons per day

Source: City of Sacramento

Table 5
Water System
Number of Connections by User Type
Fiscal Year Ending June 30, 2023

<u>User Type</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential	131,277	132,818	133,731	135,056	136,040
Commercial/Industrial	11,554	11,851	12,038	12,094	12,197
Total ⁽¹⁾	142,831	144,669	145,769	147,150	148,237

⁽¹⁾ Total does not include the three outside wholesale accounts, one wholesale/wheeling account and one wheeling account.

Source: The City of Sacramento

Table 6
Water System
Largest Users by Service Charge Revenues
Fiscal Year Ending June 30, 2023

User	Service Charge Revenue	Percentage of System Revenue
City of Sacramento	\$ 4,590,089	3.36%
State of California	\$ 1,139,582	0.84%
Sacto City Unified School District	\$ 1,050,785	0.77%
Proctor & Gamble Mfg Co	\$ 734,539	0.54%
HP Hood LLC	\$ 581,325	0.43%
SMUD	\$ 477,759	0.35%
Sacramento Housing and Redevelopment Agency ⁽¹⁾	\$ 457,437	0.34%
REGENTS OF THE UNIV OF CAL	\$ 422,278	0.31%
County of Sacramento	\$ 417,100	0.31%
CG Woodlands Limited Partnership	\$ 288,389	0.21%
Total	\$ 10,159,282	7.46%

⁽¹⁾ Includes SHRA and City Housing Authority entities.

Total service charge revenue was approximately \$136.5 million in Fiscal Year 2023.

Source: The City of Sacramento

Table 8
Water System
Selected Monthly Rates

Rates Effective as of July 1, 2020

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
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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
3"	193.49
4"	319.72
6"	635.25
8"	1,013.87
10"	1,455.63
12"	2,717.78

Source: The City of Sacramento

Table 9
Uncollected Water System Charges
Fiscal Year Ending June 30, 2023

	<u>2019</u>	<u>2020⁽¹⁾</u>	<u>2021⁽¹⁾</u>	<u>2022</u>	<u>2023</u>
City Water Charges	\$ 147,268	\$ -	\$ 370,275	\$ 130,904	\$ 89,864

⁽¹⁾ In May 2019, the Department of Utilities implemented new billing software. As a result, the write-off process was not activated during fiscal year 2020. The uncollected Water System charges for fiscal year 2020 in the amount of \$191,185 was reported in fiscal year 2021.

Source: The City of Sacramento

Table 11
Summary of Historical Operating Results (in thousands)
Fiscal Year Ending June 30, 2023

Operating Revenues

Utility Rate Fees	\$	132,544
Wholesale Water Sales	\$	1,300
Interest and investment revenue (loss)	(1) \$	1,074
Miscellaneous Revenues	\$	1,555
Total Operating Revenues:	\$	136,473

General Fund Tax Transfer Out:

General Fund Tax	(2) \$	(14,006)
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System Net Revenues

\$	122,467
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Maintenance and Operation Costs

Employee Services	\$	(43,243)
Services and Supplies	\$	(29,160)

Total Maintenance and Operation Costs

\$	(72,403)
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(Deposit to) / Withdrawal From Rate Stabilization Fund:

(3) \$	4,617
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System Net Revenues

\$	54,681
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Debt Service**Parity Obligations and Bonds**

California Department of Public Health Loan (ARRA Loan)	(4) \$	(639)
Water Revenue Bonds, Series 2013	\$	(5,726)
Water Revenue Bonds, Series 2017	\$	(3,376)
Water Revenue Refunding Bonds, Series 2020	\$	(6,980)
California State Water Resources Control Board Drinking Water Loan (SRF Loan)	\$	(8,194)
Subtotal Parity Obligations and Bonds Debt Service	\$	(24,916)

Subordinate Obligations

Subordinate Debt Service - (N/A at this time)	\$	-
Subtotal Subordinate Obligations Debt Service	\$	-

Unsecured Obligations

2015 Refunding Revenue Bonds - Plant Expansion	(5) \$	-
2006 Capital Improvement Bond, Series E - Plant Expansion	\$	(11,084)
Subtotal Unsecured Obligations Debt Service	\$	(11,084)

Total Water Fund Debt Service (Parity/Bonds + Subordinate + Unsecured)

\$	(36,000)
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Coverage Requirement Compliance

Parity Obligations and Bonds (Requirement is 1.20 times)	2.195 x
Parity / Bonds + Subordinate Obligations + Unsecured Obligations (Requirement is 1.00 Times)	1.519 x

Cash Funding of Facilities

Capital Outlay (PayGo & Use of Water Fund Capital Reserve)	\$	30,309
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Net Change to Fund Balance

Beginning Water Fund Balance:	(6) \$	101,960
Ending Water Fund Balance:	\$	94,844

- (1) User fees and charges have decreased since Fiscal Year 2020-21 due to the city-wide implementation of water meters in compliance with State law, the implementation of ongoing water conservation measures, and the suspension of late fees due to COVID. The suspension of late fees was lifted in October 2023. The impacts of COVID on Water System revenues were limited to late fees due to funding received from the California Water and Wastewater Arrearage Payment Program and the Federal Low Income Household Water Assistance Program administered by the U.S. Department of Health and Human Services. The Water Fund received \$2.65 million as well as \$91,000 in administrative cost reimbursement from the two programs to cover delinquent accounts.
- (2) The Water Fund receives Water Impact Fees that are deposited into a separate account; however, the Water Impact Fees are restricted and can only be used to cover eligible costs specified in the Sacramento City Code.
- (3) Includes interest earnings/revenue associated with the Water Use Fee Fund. Also includes, the allocated portion of the unrealized loss in the City's Pool A portfolio. In prior years, the Water Fund reported the allocable portion of unrealized gains. Recent market interest rate increases have led to the reduced market valuation of fixed income securities in the City's Pool A portfolio in Fiscal Year 2021-22.
- (4) The voter approved general fund tax is equal to 11% of the collected utility rate revenue. See "General Fund Tax on Water System Revenues." These figures are net of uncollected Water System charges or bad debt.
- (5) The large variance in operating costs from Fiscal Year 2021-22 to Fiscal Year 2022-23 - specifically the Services and Supplies line item, is primarily due to the backlog of vehicle purchases caused by supply chain issues during the COVID pandemic. Other increases included: overtime, chemicals, legal services, insurance premiums, and miscellaneous supply accounts due to the heavy storms in Fiscal Year 2022-2023 and inflation.
- (6) Fiscal Years 2018-19 through 2021-22 include deposits to the Rate Stabilization Fund that reflect funding in an amount equal to 25% of the maximum annual debt service for Parity Obligations and Unsecured Obligations payable from Net Revenues of the Water System. In addition, in Fiscal Year 2020-21, a deposit was made to the Rate Stabilization Fund to meet the \$10.25 million SRF Loan reserve requirement (which was equal to the maximum annual debt service with respect to the SRF Loan, assuming the entire \$173 million maximum amount of the SRF Loan was drawn down). See "Budgetary and Financial Procedures." In Fiscal Year 2022-23, the City determined it was necessary to maintain the SRF Loan Reserve separate from the Rate Stabilization Fund and thus created a new account for the SRF Loan Reserve. The SRF Loan Reserve was reduced to \$8.2 million, which reflects the current amortization schedule of the final loan amount of about \$139.2 million. Annual accounting adjustments to the Rate Stabilization Fund reflects withdrawals from the Rate Stabilization Fund (based on the current debt service obligations in that year) to the unrestricted fund balance of the Water Fund. Since both reserves are restricted, the SRF Loan Reserve is reported in the Annual Comprehensive Financial Report combined with the Rate Stabilization Fund.
- (7) Pursuant to the terms of the Funding Agreement between the California Department of Public Health and the City (currently administered by the State Water Resources Control Board), a deposit to the reserve fund is required during the first ten years of the loan repayment term. The reserve became fully funded in August 2022.
- (8) 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.

**Outstanding Water Fund Debt Service
as of June 30, 2023**

Fiscal Year	Parity Obligations and Bonds					Unsecured Obligations ⁽¹⁾	Total Obligations and Bonds
	ARRA Loan	2017 Drinking Water Loan ⁽²⁾	2013 Water Revenue Bonds	2017 Water Revenue Bonds	2020 Water Revenue Refunding Bonds	2006 Capital Improvement Revenue Bonds, Series E	
FY24	\$ 638,529.32	\$ 8,216,803.86	\$ 5,718,875.00	\$ 3,377,412.50	\$ 6,978,376.30	\$ 11,081,158.50	\$ 36,011,155.48
FY25	\$ 638,529.32	\$ 8,239,513.38	\$ 5,719,500.00	\$ 3,375,662.50	\$ 6,978,496.35	\$ 11,071,460.71	\$ 36,023,162.26
FY26	\$ 638,529.32	\$ 8,239,513.38		\$ 3,376,287.50	\$ 12,698,491.05	\$ 11,062,328.31	\$ 36,015,149.56
FY27	\$ 638,529.32	\$ 8,239,513.38		\$ 3,379,037.50	\$ 12,697,758.93	\$ 11,047,940.90	\$ 36,002,780.03
FY28	\$ 638,529.32	\$ 8,239,513.38		\$ 3,378,787.50	\$ 12,697,262.96	\$ 11,041,887.96	\$ 35,995,981.12
FY29	\$ 638,529.32	\$ 8,239,513.38		\$ 3,375,537.50	\$ 12,700,230.66	\$ 11,028,256.96	\$ 35,982,067.82
FY30	\$ 638,529.32	\$ 8,239,513.38		\$ 3,379,037.50	\$ 12,695,370.96	\$ 11,011,061.50	\$ 35,963,512.66
FY31	\$ 638,529.32	\$ 8,239,513.38		\$ 3,379,037.50	\$ 12,699,831.96	\$ 10,998,844.00	\$ 35,955,756.16
FY32	\$ 638,529.32	\$ 8,239,513.38		\$ 3,375,537.50	\$ 12,698,526.61	\$ 10,985,267.81	\$ 35,937,374.62
FY33	\$ 319,264.68	\$ 8,239,513.38		\$ 3,378,287.50	\$ 12,695,681.53	\$ 10,969,043.36	\$ 35,601,790.45
FY34		\$ 8,239,513.38		\$ 3,377,037.50	\$ 12,697,606.00		\$ 24,314,156.88
FY35		\$ 8,239,513.38		\$ 3,376,662.50	\$ 12,698,359.30		\$ 24,314,535.18
FY36		\$ 8,239,513.38		\$ 3,376,312.50	\$ 12,699,440.70		\$ 24,315,266.58
FY37		\$ 8,239,513.38		\$ 3,376,612.50	\$ 12,700,054.00		\$ 24,316,179.88
FY38		\$ 8,239,513.38		\$ 3,378,812.50	\$ 12,701,233.50		\$ 24,319,559.38
FY39		\$ 8,239,513.38		\$ 3,377,237.50	\$ 12,696,680.50		\$ 24,313,431.38
FY40		\$ 8,239,513.38		\$ 3,375,862.50	\$ 12,700,997.50		\$ 24,316,373.38
FY41		\$ 8,239,513.38		\$ 3,378,987.50	\$ 12,693,866.50		\$ 24,312,367.38
FY42		\$ 8,239,513.53		\$ 3,376,362.50	\$ 12,694,969.50		\$ 24,310,845.53
FY43				\$ 3,377,737.50	\$ 12,698,750.00		\$ 16,076,487.50
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	\$ 6,066,028.56	\$ 156,528,044.85	\$ 11,438,375.00	\$ 84,421,556.25	\$ 242,521,984.81	\$ 110,297,250.01	\$ 611,273,239.48

⁽¹⁾ Unsecured Obligations represent the appropriated amount of debt from certain financing and are obligations of the City's General Fund.

⁽²⁾ In December 2017, the City obtained \$173.1M in funding of parity obligation bonds from the California State Water Resources Control Board's Drinking Water State Revolving Fund. As of Fiscal Year 2023, the City received \$138.5M of the total approved loan amount and received a final disbursement in the amount of \$722K in October 2023 .