

Sacramento, CA, City of

Municipal Market Disclosure Information Cover Sheet

Type of Filing: ANNUAL FINANCIAL INFORMATION & OPERATING DATA (RULE 15C2-12)

2024 - Annual Continuing Disclosure Report - Water Revenue Bonds, Series 2023

Date of Filing: 03/27/2025

<u>Certification Authorized by</u>	<u>Disclosure Dissemination Agent Contact</u>
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This information is also available on DAC's website: www.dacbond.com

Signature of Issuer: Claudia Lara /s/

The information set forth herein has been obtained from the obligated entity and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Financial Information & Operating Data (Rule 15c2-12) may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they may be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Financial Information & Operating Data (Rule 15c2-12) will not, under any circumstances, create any implication that there have been no changes in the affairs of the entity, or other matters described.

This Filing Applies to:

1. City of Sacramento Water Revenue Refunding Bonds, Series 2023, \$20,985,000 Dated: December 19, 2023

CUSIPS: 786089JS2, 786089JT0, 786089JU7, 786089JV5, 786089JW3, 786089JX1, 786089JY9, 786089JZ6, 786089KA9, 786089KB7, 786089KC5, 786089KD3, 786089KE1, 786089KF8

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: P11387610

Date & Time Stamp:	03/27/2025
Document Name or Event Type:	Annual Financial Information & Operating Data (Rule 15c2-12)
Document Description:	2024 - Annual Continuing Disclosure Report - Water Revenue Bonds, Series 2023
DAC Bond Coversheet:	Yes
Transmitted to:	MSRB-EMMA
Total CUSIPs associated with this Filing:	14
Filing made on Series:	2023

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

- Issue: City of Sacramento Water Revenue Refunding Bonds, Series 2023, \$20,985,000
Dated: December 19, 2023

CUSIP: 786089JS2, 786089JT0, 786089JU7, 786089JV5, 786089JW3, 786089JX1, 786089JY9, 786089JZ6, 786089KA9, 786089KB7, 786089KC5, 786089KD3, 786089KE1, 786089KF8

No missing CUSIPs for this bond issue

City of Sacramento
Annual Continuing Disclosure Report
Fiscal Year 2023-24

Issue	City of Sacramento Water Revenue Refunding Bonds
Series	Series 2023
Par	\$ 20,985,000
Pricing	December 12, 2023
Closing	December 19, 2023
CUSIP Numbers	786089JS2 786089JT0 786089JU7 786089JV5 786089JW3 786089JX1 786089JY9 786089JZ6 786089KA9 786089KB7 786089KC5 786089KD3 786089KE1 786089KF8

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 is also available on the City's website at:

www.cityofsacramento.gov/finance/accounting/reporting

(b) Numerical or tabular data of the type contained in the following tables in the Official Statement, to reflect actual results of the most recently completed fiscal year (projections need not be updated):

See Exhibit A (1) Table 2 – Water Production by Source

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

See Exhibit C (3) Table 6 – Largest Customers by Service Charge Revenues*

See Exhibit D (4) Table 8 – Selected Monthly Rates

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

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

Voluntary Disclosure

See Exhibit G – Outstanding Water Fund Debt Service

See Exhibit H – FY24 – Annual Debt Transparency Report - Water Revenue Refunding Bonds, Series 2023

The City's annual filing with CDIAC for this issue is also available online at:

www.cityofsacramento.gov/treasurer/debt-management/continuing-disclosure-certificate/cdiac-reports

Table 2
Water Production by Source
Fiscal Year Ending June 30, 2024

Fairbairn Water Treatment Plant (MG)	Sacramento River Water Treatment Plant (MG)	Groundwater Wells (MG)	Total Production (MG)	Water Production to Retail (MG)	Water Production to Wholesale (MG)
9,808	16,650	3,508	29,965	26,704	3,262

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, 2024

User Type	2020	2021	2022	2023	2024
Residential	132,818	133,731	135,056	136,040	136,707
Commercial/Industrial	11,851	12,038	12,094	12,197	12,362
Total ⁽¹⁾	144,669	145,769	147,150	148,237	149,069

⁽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 Customers by Service Charge Revenues
Fiscal Year Ending June 30, 2024

Customers	Service Charge Revenue	Percentage of System Revenue
City of Sacramento	\$ 4,558,228	3.43%
State of California	\$ 1,210,466	0.91%
Sacto City Unified School District	\$ 1,078,038	0.81%
SMUD	\$ 1,014,386	0.76%
HP Hood LLC	\$ 535,651	0.40%
County of Sacramento	\$ 410,952	0.31%
Sacramento Housing and Redevelopment Agency ⁽¹⁾	\$ 409,311	0.31%
Regents of the University of California	\$ 397,063	0.30%
Sequoia Equities	\$ 251,600	0.19%
Veyron/KDP US Leasing LLC	\$ 244,370	0.18%
Total	\$ 10,110,065	7.60%

⁽¹⁾ Includes SHRA and City Housing Authority entities.

Source: The City of Sacramento

Table 8
Water System
Selected Monthly Rates

Rates Effective as of July 1, 2019⁽¹⁾

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

⁽¹⁾ Rates have not increased since July 1, 2019.

Source: The City of Sacramento

Table 9
Uncollected Water System Charges
Fiscal Year Ending June 30, 2024

	<u>2020⁽¹⁾</u>	<u>2021⁽¹⁾</u>	<u>2022</u>	<u>2023⁽²⁾</u>	<u>2024</u>
City Water Charges	\$ -	\$ 370,275	\$ 130,904	\$ 85,265	\$ 109,996

⁽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.

⁽²⁾ In the FY2022/23 Annual Disclosure, Uncollected Water System Charges was over reported by \$4,241.38 for a total of \$89,512. The bankruptcy adjustment was counted twice. The correct amount

Source: City of Sacramento

Table 11
Summary of Historical Operating Results (in thousands)
Fiscal Year Ending June 30, 2024

<u>Operating Revenues</u>		
Utility Rate Fees	\$	130,979.34
Wholesale Water Sales		1,846
Interest and investment revenue	(1)	15,163
Miscellaneous Revenues	(2)	2,777
Total Operating Revenues:	(3)	\$ 150,765
<u>General Fund Tax Transfer Out:</u>		
General Fund Tax	\$	(14,124)
System Revenues	(4)	\$ 136,641
<u>Maintenance and Operation Costs</u>		
Employee Services	\$	(47,452)
Services and Supplies		(32,651)
Total Maintenance and Operation Costs	(5)	\$ (80,103)
(Deposit to) / Withdrawal From Rate Stabilization Fund:	\$	8,380
System Net Revenues	(6)	\$ 64,918
<u>Debt Service</u>		
Parity Obligations and Bonds		
California Department of Public Health Loan (ARRA Loan)	\$	(639)
Water Revenue Bonds, Series 2013		(5,677)
Water Revenue Bonds, Series 2017		(3,375)
Water Revenue Refunding Bonds, Series 2020		(6,613)
Water Revenue Refunding Bonds, Series 2023		(831)
California State Water Resources Control Board Drinking Water Loan (SRF Loan)	(7)	(8,240)
Subtotal Parity Obligations and Bonds Debt Service	\$	(25,374)
Subordinate Obligations		
Subordinate Debt Service - (N/A at this time)	\$	-
Unsecured Obligations		
2006 Capital Improvement Bond, Series E - Plant Expansion	(8)	(11,081)
Total Water Fund Debt Service (Parity/Bonds + Subordinate + Unsecured)	\$	(36,455)
<u>Coverage Requirement Compliance</u>		
Parity Obligations and Bonds (Requirement is 1.20 times)		2.558 x
Parity / Bonds + Subordinate Obligations + Unsecured Obligations (Requirement is 1.00 Times)		1.781 x

- ⁽¹⁾ The interest and investment revenue reported for FY24 includes further recovery of unrealized losses of fixed income securities in the City's Pool A portfolio reported in FY22. The figure also includes FY24 Pool A interest apportionment for the Water Fund, which is invested in the City's Pool A portfolio.
- ⁽²⁾ Miscellaneous Revenue of \$2,777 includes Rents and Concessions of \$54 plus miscellaneous of \$78 plus Revenue from other agencies of \$2,668 and minus amortization of bond prepaid insurance of (\$23).
- ⁽³⁾ 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.
- ⁽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 variance in operating costs from Fiscal Year 2022-23 to Fiscal Year 2023-24 - specifically the Employee Services line item, is primarily due to council approved labor increases. Other increases included: overtime, chemicals, legal services, insurance premiums, and miscellaneous supply accounts due inflation.
- ⁽⁶⁾ In 2013, the Water Fund established the Rate Stabilization Reserve to bolster the inaugural credit rating of the water system since it had not issued debt previously in the public market. Since that time, the fund has had several additional series of new-money and refunding of revenue bonds. As part of the formal rating agency surveillance in Fiscal Year 2023-24, rating agencies were informed that the Water fund may eliminate the Rate Stabilization Reserve. The rating agencies felt that if the Rate Stabilization Reserve was eliminated, there would not be an impairment to the credit rating. Per the Revised Department of Utilities Reserve Policy adopted by City Council on 6/18/2024 (Motion ID 2024-0161), the Rate Stabilization fund was transferred to the Capital Reserve in the amount of \$8.4 million.
- ⁽⁷⁾ The SRF Loan Reserve is maintained at \$8.2 million, which reflects the maximum annual debt service of the current amortization schedule of the final loan amount of about \$139.2 million.
- ⁽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.

Exhibit G
Outstanding Water Fund Debt Service
as of June 30, 2024

Fiscal Year	Parity Obligations and Bonds					Unsecured Obligations (1)	Total Water Obligations and Bonds
	ARRA Loan	2017 Drinking Water Loan (2)	Water Revenue Bonds, Series 2013 (3)	Water Revenue Bonds, Series 2017	Water Revenue Refunding Bonds, Series 2020 (Federally Taxable)	2006 Capital Improvement Revenue Bonds, Series E	
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	\$ 5,427,499.24	\$ 148,311,240.99	\$ 5,719,500.00	\$ 81,044,143.75	\$ 235,543,608.51	\$ 99,216,091.51	\$ 575,262,084.00

(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 approved \$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 2024, the City received \$139.2M of the total approved loan amount and has decided not to borrow the remaining \$33.9M approved funding.

(3) The Water Revenue Bonds, Series 2013 matured on September 1, 2024.



ANNUAL DEBT TRANSPARENCY REPORT
California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

Information as of Reporting Year End: 6/30/2024

Issuance Information

Issuer Name:	City of Sacramento
Issue Name:	Water Revenue Refunding Bonds, Series 2023
Project Name:	Water
Actual Sale Date:	12/12/2023
Settlement Date:	12/19/2023
Original Principal Amount:	\$20,985,000.00
Net Original Issue Premium/Discount:	\$3,105,611.00
Proceeds Used to Acquire Local Obligations (Marks-Roos Only):	\$0.00
Total Reportable Proceeds:	\$24,090,611.00
Total cost of issuance from Report of Final Sale:	\$620,464.49

Issuance Authorization

Authorization (1):	
Authorization Name:	Resolution No 2023-0345
Original Authorized Amount:	\$85,000,000.00
Authorization Date:	11/14/2023
Amount Authorized - Beginning of the Reporting Period:	\$0.00
Amount Authorized - During the Reporting Period:	\$85,000,000.00
Total Debt Authorized:	\$85,000,000.00
Debt Issued During the Reporting Period:	\$20,985,000.00
Replenishment Reported During the Reporting Period:	\$0.00
Total Debt Authorized but Unissued:	\$64,015,000.00
Authorization Lapsed:	\$64,015,000.00
Total Authorization Remaining - End of Reporting Period:	\$0.00

Principal Outstanding



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CDIAC # : 2023-1307
 Status: Reviewed
 03/18/2025

Principal Balance Upon Sale or at Beginning of the Reporting Period:	\$20,985,000.00
Accreted Interest – During Reporting Period:	\$0.00
Total Principal and Accreted Interest:	\$20,985,000.00
Principal Paid with Proceeds from Other Debt Issues – During the Reporting Period:	\$0.00
Principal Payments - During the Reporting Period (not reported as payments above):	\$0.00
Principal Outstanding – End of Reporting Period:	\$20,985,000.00

Refunding/Refinancing Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
No data available to display.		

Use of Proceeds

Report End Date	Begin Amount	Spent Amount	Remain Amount
6/30/2024	\$24,090,611.00	\$24,090,611.00	\$0.00

Proceeds Spent/Unspent (Fund Level)

Fund Category	Total Reportable Proceeds Available	Proceeds Spent Current Reporting Period	Proceeds Spent Prior Reporting Period(s)	Proceeds Unspent / Remaining
COST OF ISSUANCE	\$4,774.95	\$4,774.95	\$0.00	\$0.00
REFUNDING ESCROW ACCOUNT	\$24,085,836.05	\$24,085,836.05	\$0.00	\$0.00
TOTAL:	\$24,090,611.00	\$24,090,611.00	\$0.00	\$0.00

Expenditures During Current Reporting Period

Fund Category	Purpose	Expenditure Amount
COST OF ISSUANCE	UNDERWRITER'S DISCOUNT	\$4,774.95
REFUNDING ESCROW ACCOUNT	BOND REFUNDING	\$24,085,836.05
TOTAL:		\$24,090,611.00

Expenditure Summary



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CDIAC # : 2023-1307
 Status: Reviewed
 03/18/2025

Fund Category	Purpose	Expenditure In Current Reporting Period	Expenditure In Prior Reporting Period(s)	Total Expenditure All Periods
COST OF ISSUANCE	UNDERWRITER'S DISCOUNT	\$4,774.95	\$0.00	\$4,774.95
REFUNDING ESCROW ACCOUNT	BOND REFUNDING	\$24,085,836.05	\$0.00	\$24,085,836.05
TOTAL:		\$24,090,611.00	\$0.00	\$24,090,611.00

Refunded/Refinanced Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
2020-0493	\$24,085,836.05	12/19/2023

Filing Contact

Filing Contact Name: Claudia Lara
 Agency/Organization Name: City of Sacramento
 Address: 915 I Street, HCH 3rd Floor
 City: Sacramento
 State: CA
 Zip Code: 95814
 Telephone: 916-8082267
 Fax Number:
 E-mail: CLara@cityofsacramento.org

Comments

Issuer Comments:

ADTR Reportable

Principal Outstanding – End of Reporting Period: \$20,985,000.00
 Proceeds Unspent – End of Reporting Period: \$0.00
 ADTR Reportable Next Reporting Year: Yes



ANNUAL DEBT TRANSPARENCY REPORT

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CDIAC # : 2023-1307
Status: Reviewed
03/18/2025

Submission Date:

1/31/2025