



# Municipal Market Disclosure Information Cover Sheet

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**This Filing Applies to:**

1. City of Sacramento, Wastewater Revenue Bonds, Series 2019, \$25,960,000, Dated: April 10, 2019  
786087AX4, 786087AY2, 786087AZ9, 786087BA3, 786087BB1, 786087BC9, 786087BD7,  
786087BE5, 786087BF2, 786087BG0, 786087BH8, 786087BJ4, 786087BK1, 786087BL9,  
786087BM7, 786087BN5, 786087BP0, 786087BQ8, 786087BR6

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**TYPE OF FILING:**

If information is also available on the Internet, give URL: [www.dacbond.com](http://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)

Series 2019 - Operating Data 2019 Wastewater Revenue Bonds

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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Relationship to Issuer: Dissemination Agent

**Authorized By:**

Name: Claudia Lara

Title: Treasury Analyst

Entity: City of Sacramento

**Digital Assurance Certification**

## Filing Certificate

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**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: ER1015250

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Date & Time Stamp: 03/30/2020

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

Document Description: Series 2019 - Operating Data 2019 Wastewater Revenue Bonds

DAC Bond Coversheet: Yes

Transmitted to: MSRB-EMMA

Total CUSIPs associated with this Filing: 19

Filing made on Series: 2019

**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

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1. Issue: City of Sacramento, Wastewater Revenue Bonds, Series 2019, \$25,960,000, Dated: April 10, 2019

CUSIP: 786087AX4, 786087AY2, 786087AZ9, 786087BA3, 786087BB1, 786087BC9, 786087BD7, 786087BE5, 786087BF2, 786087BG0, 786087BH8, 786087BJ4, 786087BK1, 786087BL9, 786087BM7, 786087BN5, 786087BP0, 786087BQ8, 786087BR6

No missing CUSIPs for this bond issue

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**City of Sacramento  
Annual Continuing Disclosure Report  
Fiscal Year 2018-19**

<b>Issue</b>	City of Sacramento Wastewater Revenue Bonds, Series 2019
<b>Par</b>	\$25,960,000
<b>Issued</b>	April 10, 2019
<b>CUSIP Numbers</b>	786087AX4 786087AY2 786087AZ9 786087BA3 786087BB1 786087BC9 786087BD7 786087BE5 786087BF2 786087BG0 786087BH8 786087BJ4 786087BK1 786087BL9 786087BM7 786087BN5 786087BP0 786087BQ8 786087BR6

**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 2019 Bonds, dated April 10, 2019, to reflect actual results of the most recently completed fiscal year (projections need not be updated):**

(1) Table 1 - Number of Connections by User Type

(2) Table 2 - Largest Users by Service Charge Revenues

(3) Table 4 - Selected Monthly Rates

(4) Table 5 - Uncollected Wastewater System Charges

(5) Table 7 - Summary of Historical Operating Results (to be updated to show actual results of most recently completed fiscal year.)

See Exhibit A - Table 1

See Exhibit B - Table 2

See Exhibit C - Table 4

See Exhibit D - Table 5

See Exhibit E - Table 7

***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 Wastewater 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 F - Outstanding Wastewater Fund Debt Service

## Exhibit A

**Table 1**  
**Number of Connections by User Type**  
**(Fiscal Year Ending June 30)**

User Type	2015 <sup>(1)(2)</sup>	2016 <sup>(1)(2)</sup>	2017 <sup>(1)(2)</sup>	2018	2019
Residential	72,062	72,169	72,446	72,809	73,410
Commercial/Industrial	4,681	4,680	4,691	4,712	4,715
Total All Users	76,743	76,849	77,137	77,521	78,125

(1) The number of connections reported in each CAFR between FY14 - FY16 was overstated by three compared to the annual disclosure filing.

(2) The number of connections reported in each CAFR between FY15 - FY16 was understated by 272, and was corrected in the FY16 disclosure document.

Source: The City of Sacramento

## Exhibit B

**Table 2**  
**Wastewater System**  
**Largest Users by Service Charge Revenues**  
**Fiscal Year ended June 30, 2019**

<b>User</b>	<b>Service Charge Revenue</b>	<b>Percentage of System Revenue</b>
State Of California	\$ 622,178	1.51%
City Of Sacramento	\$ 511,001	1.24%
Sacto City Unified School District	\$ 445,211	1.08%
Sacramento Housing And Redevelopment Agency	\$ 356,386	0.87%
Seven Up Bottling Company	\$ 196,436	0.48%
Regents Of The University Of California	\$ 193,014	0.47%
County Of Sacramento	\$ 168,023	0.41%
Kw Sacramento Llc*	\$ 116,012	0.28%
Los Rios Community College District	\$ 103,836	0.25%
U.C.Davis	\$ 101,667	0.25%
<b>Total</b>	<b>\$ 2,813,764</b>	<b>6.83%</b>

(1) Based on total user fee revenue of \$41.2 million in Fiscal Year 2019.  
\*KW Sacramento LLC is a real estate franchise known as Keller Williams.

Source: The City of Sacramento

# Exhibit C

**Table 4  
City of Sacramento  
Wastewater System  
(Fiscal Year Ending June 30, 2020)**

		Rates Effective <sup>(1)</sup> (Current) July 1, 2019
<b>Flat Wastewater Rates (\$/month)</b>		
<b>Single Family Residential:</b>		
1-3 Rooms		20.74
4-5 Rooms		26.28
6-7 Rooms		31.65
8-9 Rooms		36.56
10-15 Rooms		41.95
Over 15, each additional room		2.87
<b>Metered Water Use, Unit Rate:</b>		
<b>Wastewater Rate (\$/100 Cu. Ft. Monthly Metered Water Use):</b>		1.2953
<b>Service Charge (\$/month)</b>		
<b>Water Meter Size:</b>	<b>Monthly Metered Water Use</b>	
5/8"	0 - 1200 cu. Ft.	15.54
3/4"	0 - 1700 cu. Ft.	22.02
1"	0 - 2100 cu. Ft.	27.20
1 1/2"	0 - 3700 cu. Ft.	47.92
2"	0 - 6200 cu. Ft.	80.30
3"	0 - 12,500 cu. Ft.	161.91
4"	0 - 21,800 cu. Ft.	282.36
6"	0 - 50,000 cu. Ft.	647.62
8"	0 - 106,200 cu. Ft.	1,375.56
10"	0 - 168,700 cu. Ft.	2,185.09
12"	0 - 262,500 cu. Ft.	3,400.02
Source: The City of Sacramento		

## Exhibit D

**Table 5**  
**Uncollected Wastewater System Charges**  
**(Fiscal Year Ending June 30)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City Wastewater Charges	\$ 66,370	\$ 66,586	\$ 61,745	\$ 37,841	\$ 29,059
SRCS D Charges	<u>\$ 96,573</u>	<u>\$ 104,527</u>	<u>\$ 105,596</u>	<u>\$ 68,337</u>	<u>\$ 62,053</u>
Total	\$ 162,943	\$ 171,113	\$ 167,341	\$ 106,178	\$ 91,112

Source: The City of Sacramento

**Exhibit E**

**Table 8  
Actual Operating Results (in thousands)**

(Fiscal Year Ending June 30, 2019)  
Actual Operating Results

	Notes	2018-19
<b>Operating Revenues</b>		
Utility Rate Fees	1)	\$ 41,185
Wastewater Development Impact Fees	2)	393
Interest Earnings	3)	2,087
Miscellaneous Revenues	4)	1,090
<b>Total Operating Revenues:</b>		<b>\$ 44,755</b>
<b>General Fund Tax Transfer Out:</b>		
General Fund Tax	5)	(4,331)
<b>System Net Revenues</b>		<b>40,424</b>
<b>Maintenance and Operation Costs</b>		
Employee Services		(10,993)
Services and Supplies		(16,356)
<b>Total Maintenance and Operation Costs</b>		<b>(27,349)</b>
(Deposit to) / Withdrawal From Rate Stabilization Fund:	6)	-
<b>System Net Revenues</b>		<b>\$ 13,075</b>
<b>Debt Service</b>		
<b>Parity Obligations and Bonds</b>		
State Revolving Fund XM35 - Land Park Sewer		(165)
State Revolving Fund XM24 - Sump 2 Rehabilitation		(2,367)
State Revolving Fund XM46 - Tahoe Park/Broadway Parallel Sewer		(397)
State Revolving Fund XM44 - UCD Medical Center Storage		(342)
<b>State Revolving Fund Debt Service Funded via Stormwater Fund</b>	7)	2,453
Wastewater Revenue Bonds Series 2013		(1,957)
Wastewater Revenue Bonds Series 2019		-
<b>Subtotal Parity Obligations and Bonds Debt Service</b>		<b>\$ (2,775)</b>
<b>Subordinate Obligations</b>		
Subordinate Debt Service - (N/A at this time)		-
<b>Subtotal Subordinate Obligations Debt Service</b>		-
<b>Unsecured Obligations</b>		
Unsecured Obligations - (N/A at this time)		-
<b>Subtotal Unsecured Obligations Debt Service</b>		-
<b>Total Wastewater Fund Debt Service (Parity/Bonds + Subordinate + Unsecured)</b>		<b>\$ (2,775)</b>
<b>Coverage Requirement Compliance</b>		
Parity Obligations and Bonds (Requirement is 1.20 times)		<b>4.711 x</b>
<b>Cash Funding of Facilities</b>		
Capital Outlay (PayGo from Current Year Rate Revenue)		10,623
Capital Outlay (PayGo from Wastewater Fund Balance)		-
<b>Net Change to Fund Balance</b>		
Beginning Wastewater Fund Balance:	8)	10,897
Ending Wastewater Fund Balance:		8,843

## Exhibit E

### Notes

- 1) Utility rate for FY18/19 were 9%
- 2) Impact fee revenues includes capital contributions.
- 3) Includes interest earnings/revenue associated with Wastewater Development Impact Fee Fund and the Wastewater User Fee Fund. The large increase in interest earnings between Fiscal Year 2017-18 and Fiscal Year 2018-19 is attributable to the large increase in fair market value of the City's investment portfolio during that timeframe. The Wastewater Fund is a participant of the City's Pool A and realized a proportionate benefit the the favorable change in fair market value of the City's Pool A portfolio.
- 4) Miscellaneous Revenues include Miscellaneous, Transfers in, Other Capital, and Revenues From Other Agencies. Does not include Contributed Capital for the private development dedications.
- 5) Pursuant to Measure I of the City Code (Section 41.10.150), 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
- 6) 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).
- 7) Includes only the portion of the SRF Loan paid by Stormwater Drainage.
- 8) 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 F

### Outstanding Wastewater Fund Debt Service (Fiscal Year Ending June 30, 2019)

Fiscal Year	Parity Obligations and Bonds			Total Obligations and Bonds
	State Revolving Fund Loans <sup>(1)</sup>	2013 Wastewater Revenue Bonds	2019 Wastewater Revenue Bonds	
FY20	3,271,283.73	1,957,931.26	1,157,383.00	6,386,597.99
FY21	2,926,982.98	1,954,181.26	1,298,000.00	6,179,164.24
FY22		1,953,806.26	2,117,000.00	4,070,806.26
FY23		1,956,556.26	2,114,000.00	4,070,556.26
FY24		1,957,306.26	2,113,875.00	4,071,181.26
FY25		1,956,056.26	2,116,375.00	4,072,431.26
FY26		1,957,681.26	2,116,375.00	4,074,056.26
FY27		1,957,056.26	2,118,750.00	4,075,806.26
FY28		1,954,181.26	2,118,375.00	4,072,556.26
FY29		1,953,931.26	2,115,250.00	4,069,181.26
FY30		1,956,581.26	2,114,250.00	4,070,831.26
FY31		1,957,481.26	2,115,125.00	4,072,606.26
FY32		1,956,581.26	2,117,625.00	4,074,206.26
FY33		1,953,121.88	2,116,625.00	4,069,746.88
FY34		1,956,868.75	2,117,000.00	4,073,868.75
FY35		1,957,518.75	2,118,500.00	4,076,018.75
FY36		1,955,037.50	2,116,000.00	4,071,037.50
FY37		1,955,112.50	2,114,375.00	4,069,487.50
FY38		1,952,637.50	2,118,250.00	4,070,887.50
FY39		1,952,506.25	2,117,375.00	4,069,881.25
FY40		1,953,250.00	2,116,625.00	4,069,875.00
FY41		1,954,125.00		1,954,125.00
FY42		1,955,625.00		1,955,625.00
FY43		1,952,625.00		1,952,625.00
Total	6,198,266.71	46,927,759.51	42,667,133.00	95,793,159.22

- 1) Debt service includes both principal and interest amounts.
- 2) The SRF Loans are the obligations of the Wastewater Fund; however, the City's current practice is to pay 75% of payments associated with outstanding SRF loans from the Storm Drainage Fund, and 25% from the Wastewater Fund.