This Filing Applies to:

1. City of Sacramento Wastewater Revenue Refunding Bonds, Series 2020 (Federally Taxable), $27,970,000, Dated: July 1, 2020
   786087BW5, 786087BX3, 786087BY1, 786087BZ8, 786087CA2, 786087CB0, 786087CC8,
   786087CD6, 786087CE4, 786087CF1, 786087CG9, 786087CH7, 786087CJ3

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

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)
☐ 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
Event Filing

Rule 15c2-12 Disclosure

Additional / Voluntary Disclosure
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))

Disclosure Dissemination Agent Contact:
Name: DAC
Address: 315 East Robinson Street
           Suite 300
City: Orlando
State: FL
Zip Code: 32801-1674
Telephone: 407 515 - 1100
Fax: 407 515 - 6513
Email Address: emmaagent@dacbond.com
Relationship to Issuer: Dissemination Agent

Certification Authorized By:
/s/ Ellen Hunt
Name: Ellen Hunt
Title: Senior Debt Analyst
Entity: Sacramento, CA, City of
Digital Assurance Certification

Filing Certificate

DAC transmitted the Other Event-based Disclosures to EMMA/SID (if applicable) on behalf of Sacramento, CA, City of under their SEC Rule 15c2-12 Continuing Disclosure Agreement.

Transmission Details: P11289171

Date & Time Stamp: 09/26/2023
Document: Other Event-based Disclosures: Sacramento, CA, City of Standard & Poor's Affirmation September 25, 2023
DAC Bond Coversheet: Yes
Transmitted to: MSRB-EMMA
Total CUSIPs associated with this Filing: 29
Filing made on Series: 2020, 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 missing  ·  Green: Outstanding CUSIPs - filing made  ·  Black: Inactive CUSIPs

1. Issue: City of Sacramento Wastewater Revenue Refunding Bonds, Series 2020 (Federally Taxable), $27,970,000, Dated: July 1, 2020
CUSIP: 786087BW5, 786087BX3, 786087BY1, 786087BZ8, 786087CA2, 786087CB0, 786087CC8, 786087CD6, 786087CE4, 786087CF1, 786087CG9, 786087CH7, 786087CJ3

No missing CUSIPs for this bond issue

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

No missing CUSIPs for this bond issue
ADDITIONAL (VOLUNTARY) DISCLOSURE
RATING AFFIRMED

Dated: September 26, 2023

NOTICE IS HEREBY GIVEN that on September 25, 2023, Standard and Poor's Global Ratings ("S&P") affirmed the "AA" long-term rating with a stable outlook for the City of Sacramento’s Wastewater Revenue Bonds, Series 2019 and Wastewater Revenue Refunding Bonds, Series 2020.

The credit report from S&P is attached.

City of Sacramento

[Signature]
Brian Wong
Debt Manager

Attachment: S&P credit report - City of Sacramento Wastewater Revenue Bonds, Series 2019 and City of Sacramento Wastewater Revenue Refunding Bonds, Series 2020
Summary:
Sacramento, California; Water/Sewer

Primary Credit Analyst:
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Chloe S Weil, San Francisco + 1 (415) 371 5026; chloe.weil@spglobal.com

Table Of Contents
Credit Highlights
Outlook
Related Research
Summary:
Sacramento, California; Water/Sewer

Credit Profile

| Sacramento swr | Long Term Rating | AA/Stable | Affirmed |

Credit Highlights

- S&P Global Ratings affirmed its 'AA' long-term rating on the Sacramento, Calif.'s outstanding wastewater revenue bonds.
- The outlook is stable.

Security
Net revenue of the wastewater system secures the outstanding bonds. As of fiscal 2022, the city's wastewater system had $58.9 million in total debt outstanding.

Credit overview
The rating reflects our view of the wastewater system's robust liquidity position and debt service coverage (DSC) levels, which we expect will be maintained despite significant capital needs associated with aging infrastructure and environmental regulations. We understand that relatively large, regulatory-driven capital projects have been on hold and could require draws on reserves during the next few years. Officials report that there is ongoing litigation related to the collection of storm drainage fees approved by voters in 2022 that are intended to help fund improvements to the city's aging combined sewer system (CSS) infrastructure, and that the timing and funding of its related projects will be determined once litigation has been settled. The city plans to finance its capital projects on a pay-go basis during the next five years and has no near-term debt plans. We expect the city's strong financial management policies and proactive rate setting practices will support its stable financial profile as it progresses through its capital plan. The city may draw on reserves to fund projects, but we expect cash levels to remain healthy given its ample liquidity and formal operating reserve policy of 120 days' of working capital. Moreover, the city's reserve policy includes an additional designated capital reserve that will have one-year budgeted capital expenditures in the next fiscal year, with a target of building the reserve over the next five fiscal years.

The rating also reflects our view of the system's:

- Residential and very diverse customer base in the broad and diverse Sacramento-Roseville-Arden-Arcade metropolitan service area with a growing regional economy and diversifying employment opportunities;
- Affordable rates in the context of the service area's income levels and poverty rate, inclusive of the regional treatment plant provider's (Sacramento Regional County Sanitation District) single-family residential treatment fee of $37;
- Sufficient treatment capacity but significant capital needs associated with the aging infrastructure of the combined
sewer system and compliance with environmental regulations;

- DSC that has been at least 2.2x during the past three years, which, though it may moderate from projected rising costs, we expect to remain healthy given no debt plans and the city's history of proactive rate increases;

- Robust reserves levels, with a 681 days' cash on hand (DCOH) reported at fiscal 2022 year-end;

- Moderate debt-to-capitalization ratio of 24% and no debt plans for the next five years; and

- Credit supportive financial management policies and practices that include robust long-term financial and capital planning as well as formalized liquidity and debt policies.

**Environmental, social, and governance**

We believe the system has elevated environmental risk compared to peers given that portions of the system are combined with stormwater and therefore more susceptible to combined sewer overflows. The CSS covers the older areas of the city, and the remaining network is a separated sewer system (SSS). The system's wastewater is conveyed to the Sacramento Regional County Sanitation District's (SRCSD) 181 million gallon per day (mgd) treatment plant. Under an operating agreement, SRCSD is contracted to accept 60 mgd of wastewater and stormwater flow from the CSS and all flows from the SSS. During storm events, CSS flows in excess of 60 mgd are stored at the city's three wet weather storage and treatment facilities, where they are eventually discharged to the SRCSD treatment plant. During large storm events when the system's storage capacity is exhausted, excess flows are treated to a primary level at the city's facilities and discharged to the Sacramento River under a state discharge permit. Both the SSS and CSS are susceptible to overflows and evolving environmental regulations that are a key driver of capital projects. The city has recently made upgrades, such as adding a 6 mg CSS storage facility designed to detain wastewater during storm events. Management reports that there have been combined sewer overflows and sanitary sewer overflows since 2020, but that the city has been in compliance with its discharge permits and all regulatory requirements. The city is currently upgrading its long-term control plan in response to updated requirements under its discharge permit. The updated long-term plan is due in 2024, and it will guide the system's priorities as it relates to capital projects. We consider social and governance factors neutral in our credit analysis. Given the current income indicators and county poverty rate, we do not view affordability as an elevated social risk.

**Outlook**

The stable outlook reflects our expectation that the city will maintain its healthy DSC and liquidity levels and that the stability of the service area economy will support rate raising flexibility.

**Downside scenario**

We could take a negative rating action if the city materially spends down its cash reserves or if its financial performance significantly and unfavorably deviates from its historical performance.

**Upside scenario**

We could raise the rating if the city continues to manage through its large capital plan through well-defined strategies to address its infrastructure needs while maintaining its extremely strong coverage and cash.
Leased wastewater assets
The city has a master lease program under which it has issued bonds for financing various capital improvements unrelated to the wastewater system. The bonds are secured by lease payments from the city's general fund. Under the master lease program, the city has leased a pool of assets, including portion of the wastewater system's wet weather facilities related to the CSS. If the city were to fail to make any portion of its lease payments under the entire program, the trustee has the right to re-let a portion of the leased property, potentially including the wastewater system assets. Any disruption in the use of the system's wet weather facilities would affect operations, particularly during storm events. Therefore, in our view, under the lease revenue bond structure, the wastewater system has some exposure to the financial position of the general fund. However, given S&P Global Ratings' current rating on the city's general fund-backed debt, we do not view this exposure as a key credit weakness at this time.

Sacramento, California: Economic and financial data

<table>
<thead>
<tr>
<th>Economic data</th>
<th>Fiscal year-end</th>
<th>Most recent</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>Median (AA)</th>
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<tbody>
<tr>
<td>Water customers</td>
<td>--</td>
<td>19,445</td>
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<tr>
<td>Sewer customers</td>
<td>72,809</td>
<td>19,829</td>
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<td>MHHEBI of the service area as % of the U.S.</td>
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<td>110.0</td>
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<tr>
<td>Unemployment rate (%)</td>
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<td>Poverty rate (%)</td>
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<td>Water rate (6,000 gallons or actual) ($)</td>
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<td>Sewer rate (6,000 gallons or actual) ($)</td>
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<td>Annual utility bill as % of MHHEBI</td>
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<tr>
<td>Operational Management Assessment</td>
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<table>
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<th>Fiscal year-end</th>
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<th>2021</th>
<th>2020</th>
<th>Median (AA)</th>
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<td>Operating revenues ($000s)</td>
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<td>Total operating expenses less depreciation ($000s)</td>
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<td>13,767</td>
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<td>S&amp;P Global Ratings-adjusted all-in DSC (x)</td>
<td>3.1</td>
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<td>Unrestricted cash ($000s)</td>
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<td>59,445</td>
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<td>22,334</td>
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<td>Days' cash of operating expenses</td>
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<td>Total on-balance-sheet debt ($000s)</td>
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<td>33,692</td>
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<td>Financial Management Assessment</td>
<td>Strong</td>
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Note: Most recent economic data available from our vendors. MHHEBI--Median household effective buying income. DSC--Debt service coverage.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating...
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