

# **CONTINUING DISCLOSURE ANNUAL REPORT**

## **FISCAL YEAR ENDED JUNE 30, 2022**

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**CITY OF LODI  
WASTEWATER SYSTEM REVENUE  
CERTIFICATES OF PARTICIPATION,  
2004 SERIES A**

**LODI PUBLIC FINANCING AUTHORITY  
2012 REFUNDING WASTEWATER REVENUE  
BONDS, SERIES A**

**LODI PUBLIC FINANCING AUTHORITY  
2016 REFUNDING WASTEWATER  
REVENUE BONDS, SERIES A**

**LODI PUBLIC FINANCING AUTHORITY  
2018 ELECTRIC SYSTEM REVENUE REFUNDING  
BONDS**

**LODI PUBLIC FINANCING AUTHORITY  
2020 REFUNDING WATER REVENUE  
BONDS, SERIES A**

**LODI PUBLIC FINANCING AUTHORITY  
2022 LEASE REVENUE BONDS**

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**CITY OF LODI  
221 W PINE ST.  
LODI, CALIFORNIA 95240**

**CITY OF LODI  
WASTEWATER SYSTEM REVENUE  
CERTIFICATES OF PARTICIPATION,  
2004 SERIES A**

<b><i>Maturity</i></b> <b><i>(October 1)</i></b>	<b><i>CUSIP*</i></b>
2024	540279 AW6

**LODI PUBLIC FINANCING AUTHORITY  
2012 REFUNDING WASTEWATER REVENUE BONDS,  
SERIES A**

<b><i>Maturity</i></b> <b><i>(October 1)</i></b>	<b><i>CUSIP*</i></b>
2023	540255 AL0

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**LODI PUBLIC FINANCING AUTHORITY  
2016 REFUNDING WASTEWATER REVENUE BONDS,  
SERIES A**

<i><b>Maturity (February 1)</b></i>	<i><b>CUSIP*</b></i>
2023	540255 AS5
2025	540255 AT3
2026	540255 AU0
2027	540255 AV8
2027	540255 AW6
2028	540255 AX4
2029	540255 AY2
2030	540255 AZ9
2031	540255 BA3
2032	540255 BB1
2033	540255 BC9
2034	540255 BD7
2035	540255 BE5
2036	540255 BF2
2037	540255 BG0

**LODI PUBLIC FINANCING AUTHORITY  
2018 ELECTRIC SYSTEM REVENUE REFUNDING BONDS**

<i><b>Maturity (September 1)</b></i>	<i><b>CUSIP*</b></i>
2023	540258 AE0
2024	540258 AF7
2025	540258 AG5
2026	540258 AH3
2027	540258 AJ9
2028	540258 AK6
2029	540258 AL4
2030	540258 AM2
2031	540258 AN0
2032	540258 AP5

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**LODI PUBLIC FINANCING AUTHORITY  
2020 REFUNDING WATER REVENUE BONDS,  
SERIES A**

<b><i>Maturity (June 1)</i></b>	<b><i>CUSIP*</i></b>
2023	540257 AV4
2024	540257 AW2
2025	540257 AX0
2026	540257 AY8
2027	540257 AZ5
2028	540257 BA9
2029	540257 BB7
2030	540257 BC5
2031	540257 BD3
2032	540257 BE1
2033	540257 BF8
2034	540257 BG6
2035	540257 BH4
2036	540257 BJ0
2037	540257 BK7
2038	540257 BL5
2039	540257 BM3
2040	540257 BN1

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**LODI PUBLIC FINANCING AUTHORITY  
2022 LEASE REVENUE BONDS**

<i><b>Maturity (October 1)</b></i>	<i><b>CUSIP*</b></i>
2023	540259 AN8
2024	540259 AP3
2025	540259 AQ1
2026	540259 AR9
2027	540259 AS7
2028	540259 AT5
2029	540259 AU2
2030	540259 AV0
2031	540259 AW8
2032	540259 AX6
2033	540259 AY4
2034	540259 AZ1
2036	540259 BA5
2036	540259 BB3
2037	540259 BC1
2039	540259 BG2
2043	540259 BH0
2047	540259 BE7
2052	540259 BF4

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## INTRODUCTION

THIS CONTINUING DISCLOSURE ANNUAL REPORT, dated as of December 29, 2022 (the “Annual Report”), has been prepared to satisfy the obligations of the City of Lodi, a charter city and municipal corporation duly organized and existing pursuant to the laws of the State of California (the “City”).

### Definitions

Unless otherwise required, the following are the defined terms of the Annual Report.

**2004A Certificates.** 2004A Certificates means the City of Lodi Wastewater System Revenue Certificates of Participation, 2004 Series A, issued on May 26, 2004.

**2004A Certificates Disclosure Certificate.** 2004A Certificates Disclosure Certificate means that certain Continuing Disclosure Certificate, dated May 26, 2004, executed by the City in connection with the issuance of the 2004A Certificates.

**2012A Bonds.** 2012A Bonds means the Lodi Public Financing Authority 2012 Refunding Wastewater Revenue Bonds, Series A, issued on September 5, 2012.

**2012A Bonds Disclosure Certificate.** 2012A Bonds Disclosure Certificate means that certain Continuing Disclosure Certificate, dated September 5, 2012, executed by the City in connection with the issuance of the 2012A Bonds.

**2016A Bonds.** 2016A Bonds means the Lodi Public Financing Authority 2016 Refunding Wastewater Revenue Bonds, Series A, issued on March 10, 2016.

**2016A Bonds Disclosure Certificate.** 2016A Bonds Disclosure Certificate means that certain Continuing Disclosure Agreement, dated March 10, 2016, executed by the City in connection with the issuance of the 2016A Bonds.

**2018 Bonds.** 2018 Bonds means the Lodi Public Financing Authority 2018 Electric System Revenue Refunding Bonds, issued on June 12, 2018.

**2018 Bonds Disclosure Certificate.** 2018 Bonds Disclosure Certificate means that certain Continuing Disclosure Certificate, dated June 12, 2018, executed by the City in connection with the issuance of the 2018 Bonds.

**2020A Bonds.** 2020A Bonds means the Lodi Public Financing Authority 2020 Refunding Water Revenue Bonds, Series A, issued on April 29, 2020.

**2020A Bonds Disclosure Certificate.** 2020A Bonds Disclosure Certificate means that certain Continuing Disclosure Certificate, dated April 29, 2020, executed by the City in connection with the issuance of the 2020A Bonds.

**2022 Lease Revenue Bonds.** 2022 Lease Revenue Bonds means the Lodi Public Financing Authority 2022 Lease Revenue Bonds, issued on April 13, 2022.

**2022 Lease Revenue Bonds Disclosure Certificate.** 2022 Lease Revenue Bonds Disclosure Certificate means that certain Continuing Disclosure Certificate, dated April 13, 2022, executed by the City in connection with the issuance of the 2022 Lease Revenue Bonds.

**Disclosure Certificates or Disclosure Certificate.** Disclosure Certificates or Disclosure Certificate means the 2004A Certificates Disclosure Certificate, the 2012A Bonds Disclosure Certificate, the 2016A Bonds Disclosure Certificate, the 2018 Bonds Disclosure Certificate, the 2020A Bonds Disclosure Certificate, and the 2022 Lease Revenue Bonds Disclosure Certificate.

**Obligations or Obligation.** Obligations or Obligation means the 2004A Certificates, the 2012A Bonds, the 2016A Bonds, the 2018 Bonds, the 2020A Bonds, and the 2022 Lease Revenue Bonds.

**Official Statements.** Official Statements means the Official Statement, dated May 12, 2004, with respect to the 2004A Certificates, the Official Statement, dated August 16, 2012, with respect to the 2012 Bonds, the Official Statement, dated February 10, 2016, with respect to the 2016A Bonds, the Official Statement, dated May 2, 2018, with respect to the 2018 Bonds, the Official Statement, dated April 8, 2020, with respect to the 2020A Bonds, and the Official Statement, dated March 15, 2022, with respect to the 2022 Lease Revenue Bonds.

**EMMA.** EMMA means Electronic Municipal Market Access, a service of the Municipal Securities Rulemaking Board.

**Financing Authority.** Financing Authority means the Lodi Public Financing Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California.

**Fiscal Year.** Fiscal Year means the period beginning on July 1 of each year and ending on the last day of June of such year, or any other twelve-month period selected and designated as the official Fiscal Year of the City.

**Rule.** Rule means Rule 15c2-12 of the Securities Exchange Act of 1934, as amended.

## **Terms and Requirements**

The City has agreed under the Disclosure Certificates to provide certain annual financial information and operating data and notices of certain significant events. These covenants have been made in order to comply with the Rule. As provided in each Disclosure Certificate, this Annual Report is being prepared for publication with EMMA for the benefit of the Beneficial Owners of the Obligations and the participating underwriters. Capitalized terms used herein which are not otherwise defined, shall have the respective meanings specified in each Disclosure Certificate.

The information being provided herein is based on the requirements under Section 4 of the Disclosure Documents.



## AUDITED FINANCIAL STATEMENTS

The audited financial statements of the City for the Fiscal Year ended June 30, 2022 are attached hereto as Appendix A.

### PRINCIPAL OUTSTANDING AMOUNTS

<i>Issue Name</i>	<i>Principal Outstanding as of June 30, 2022</i>	<i>Principal Outstanding as of the date of this Report</i>
2004A Certificates	\$2,070,000	\$2,070,000
2012A Bonds	\$3,680,000	\$1,885,000
2016A Bonds <sup>(1)</sup>	\$19,835,000	\$19,695,000
2018 Bonds	\$35,285,000	\$32,800,000
2020A Bonds	\$24,460,000	\$24,460,000
2022 Lease Revenue Bonds	\$28,250,000	\$27,590,000

<sup>(1)</sup> Pursuant to the 2016A Bonds Disclosure Certificate the principal amount of the 2016A Bonds outstanding as of the immediately preceding October 1, was \$19,835,000.  
Source: City of Lodi

### FUND AND ACCOUNT BALANCES

The Balance in each fund and account under the Indenture as of the June 30 preceding the filing of this Annual Report are listed below for the 2022 Lease Revenue Bonds.

<b>Fund / Account Name</b>	<b>Balance</b>
Bond Fund	\$0.08
Cost of Issuance Fund	\$0.00
Insurance and Condemnation Fund	\$0.00
Project Fund	\$15,013,351.37
Redemption Fund	\$0.00
Principal Account	\$0.00
Interest Account	\$0.00
Reserve Account	\$1,655,300.00

### FINANCIAL INFORMATION & OPERATING DATA

The financial information herein consists of updated versions of the financial information and operating data contained in certain tables within the 2022 Lease Revenue Bonds Official Statement.

## Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

The following table sets forth the original and final budget of Revenues, Expenditures and Changes in Fund Balance for the most recently completed Fiscal Year.

### CITY OF LODI SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FISCAL YEARS ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>REVENUES</b>				
Taxes	\$ 32,652,850	\$ 32,652,850	\$ 34,483,025	\$ 1,830,175
Sales and use tax	21,775,960	24,305,720	26,247,772	1,942,052
Licenses and permits	63,500	60,500	62,077	1,577
Intergovernmental revenues	1,326,050	18,290,123	9,172,086	(9,118,037)
Charges for services	1,915,860	1,948,860	2,369,097	420,237
Fines, forfeits, and penalties	868,100	843,100	303,921	(539,179)
Investment and rental income	1,785,050	1,785,050	(303,334)	(2,088,384)
Miscellaneous revenue	287,260	287,260	320,093	32,833
Total revenues	60,674,630	80,173,463	72,654,737	(7,518,726)
<b>EXPENDITURES</b>				
Current:				
City Manager	1,338,780	1,808,780	1,277,837	530,943
City Clerk	704,500	704,500	667,702	36,798
City Attorney	706,690	706,690	591,419	115,271
Internal Services Admin	253,220	255,720	253,360	2,360
Human Resources	748,410	748,410	704,692	43,718
Information Systems	1,816,720	1,933,222	1,680,672	252,550
Financial Services	1,129,110	1,129,110	1,138,329	(9,219)
Revenue Services	1,426,800	2,926,100	1,359,322	1,566,778
Budget and Treasury	425,080	425,080	406,556	18,524
Non Departmental	3,702,250	12,849,449	5,117,408	7,732,041
Total general government	12,251,560	23,487,061	13,197,297	10,289,764
Public protection:				
Police	27,157,950	28,058,038	25,409,787	2,648,251
Fire	16,392,350	16,810,274	15,644,344	1,165,930
Total public protection	43,550,300	44,868,312	41,054,131	3,814,181
Public works				
	3,175,320	3,204,200	3,034,047	170,153
Library				
	1,613,230	1,618,230	1,214,407	403,823
Community Development				
	-	539,741	393,290	146,451
Debt service				
Interest	-	-	76	(76)
Principal retirement	-	-	11,174	(11,174)
Total debt service	-	-	11,250	(11,250)
Total expenditures	60,590,410	73,717,544	58,904,422	14,813,122
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	84,220	6,455,919	13,750,315	7,294,396
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,494,790	3,494,790	3,494,790	-
Transfers out	(19,004,760)	(19,004,760)	(19,004,760)	-
Lease liability issued	-	-	33,607	-
Gain on sale of property	1,000	1,000	-	(1,000)
Total other financing sources (uses)	(15,508,970)	(15,508,970)	(15,476,363)	(1,000)
<b>Net changes in fund balance</b>				
	(15,424,750)	(9,053,051)	(1,726,048)	\$ 7,293,396
<b>FUND BALANCES, BEGINNING OF YEAR</b>				
	40,690,098	40,690,098	40,690,098	
<b>FUND BALANCES, END OF YEAR</b>				
	\$ 25,265,348	\$ 31,637,047	38,964,050	
Basis adjustment:				
Cumulative pension set aside			(15,198,535)	
<b>Fund balance (budgetary basis)</b>			\$ 23,765,515	

Source: City of Lodi.

## Comparative Statements of Revenues, Expenditures and Changes in Fund Balance

Set forth below is a summary of the City's Comparative Statements of revenues, expenditures, and changes in fund balance for the most recently completed Fiscal Year.

### CITY OF LODI STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GENERAL FUND FISCAL YEAR ENDED JUNE 30, 2022

<b>Revenues:</b>	
Taxes	\$ 34,483,025
Licenses and Permits	62,077
Intergovernmental Services <sup>(1)</sup>	35,419,858
Charges for Services	2,369,097
Fines, Forfeits and penalties	303,921
Investment and rental income	(303,334)
Miscellaneous revenue	320,093
<b>Total Revenues</b>	<b>72,654,737</b>
<b>Expenditures:</b>	
Current:	
General Government	13,197,297
Public Protection	41,054,131
Public Works	3,034,047
Community Development	393,290
Library	1,214,407
Debt Service:	
Interest	76
Principal Retirement	11,174
<b>Total Expenditures</b>	<b>58,904,422</b>
<b>Excess of revenues over expenditures</b>	<b>13,750,315</b>
<b>Other Financing Sources (uses):</b>	
Transfers in	3,494,790
Transfers out	(19,004,760)
Lease Liabilities issued	33,607
<b>Total other financing sources (uses)</b>	<b>(15,476,363)</b>
<b>Net Change in Fund Balance</b>	<b>(1,726,048)</b>
<b>Fund Balance, Beginning of Year</b>	<b>40,690,098</b>
<b>Fund Balance, End of Year</b>	<b>\$ 38,964,050</b>

<sup>(1)</sup> Includes Sales and use tax and Intergovernmental revenues.  
Source: City of Lodi.

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## Assessed Valuations

Set forth below is a summary of the City's Assessed Valuations for the most completed Fiscal Year.

### CITY OF LODI ASSESSED VALUATIONS FISCAL YEAR ENDED JUNE 30, 2022

Secured roll	\$7,425,099
Utility roll	2,046
Unsecured roll	<u>232,613</u>
Gross assessed value	7,659,758
Less exemptions <sup>(1)</sup>	<u>364,661</u>
Net assessed value	<u>\$7,295,097</u>
Land	\$2,144,590
Improvements	5,282,139
Personal Property	<u>233,029</u>
Gross assessed value	7,659,758
Less exemptions <sup>(1)</sup>	<u>364,661</u>
Net assessed value	<u>\$7,295,097</u>
Total Direct Tax Rate	1.00%

<sup>(1)</sup> All exemptions (secured, utility, and unsecured rolls) are homeowners exemption \$58,136 and other exemption of \$306,525 = \$364,661.

Source: City of Lodi.

## Property Tax Levies and Collections

Set forth below the secured property tax collections for the most recently completed Fiscal Year.

### CITY OF LODI PROPERTY TAX LEVIES AND COLLECTIONS FISCAL YEARS ENDED JUNE 30 (Dollar amounts in thousands)

<i>Fiscal Year</i>	<i>Taxes Levied for the Fiscal Year</i>	<i>Collection within the Fiscal Year of the Levy</i>		<i>Total Collections to Date</i>	
		<i>Amount</i>	<i>Percent of Levy<sup>(1)</sup></i>	<i>Amount</i>	<i>Percent of Levy</i>
2022	\$13,679	\$13,679	100.00%	\$13,679	100.00%

<sup>(1)</sup> Per Agreement with San Joaquin County, the County provides the City of Lodi with 100% of the amount owed to the City for secured properties, regardless of collection status. In exchange, the County is entitled to 100% of revenues for interest and penalties. This agreement is commonly referred to as the Teeter Plan

Source: San Joaquin County Auditor/Controller's Office

## Ten Largest Locally Secured Taxpayers

Set forth below the City's ten largest locally secured taxpayers for the most recently completed Fiscal Year.

### CITY OF LODI TEN LARGEST LOCALLY SECURED TAXPAYERS FISCAL YEARS ENDED JUNE 30, 2022

<i>Taxpayer</i>	<i>Assessed Valuation</i>	<i>% of Total Assessed Valuation</i>
1. Pacific Coast Producers	\$ 114,217	1.650%
2. California Physicians Service Corp.	52,754	0.800
3. Stag Ca Holdings LP	44,600	0.610
4. Reynolds Ranch Sr Development Company LP	44,077	0.570
5. Cepheid	39,878	0.510
6. Big Box Property Owner E LLC	39,535	0.480
7. Wal Mart Real Est Business Trust	36,828	0.470
8. CaLPurnia Associates LP	34,903	0.440
9. Kdk Land Company	30,780	0.410
10. Winterfell Vintage Ca Owner LP	30,490	0.300
Principal Secured Property Valuation	468,062	6.416
Other Secured Taxpayers	6,957,037	95.366
Exemptions relative to secured tax roll	130,002	1.782
Total Secured Property Valuation	<b>\$ 7,295,097</b>	<b>100.000%</b>

Source: San Joaquin County Assessor data, MuniServices, LLC.

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**Pension Contributions**

The following table shows the Employee -paid and City-paid employee portion of the retirement plan for the most recently completed fiscal year.

**CITY OF LODI  
PENSION CONTRIBUTIONS  
FISCAL YEAR ENDED JUNE 30, 2022**

<i>Bargaining Units</i>	<i>Employee Paid<sup>(1)</sup></i>	<i>City's Share of Employees %</i>	<i>Total Employee Share</i>
Council appointees	7.00%	0%	13.00%
Executive management	7.00%	0%	13.00%
EM-Police Chief	9.00%	0%	18.00%
EM -Fire Chief	9.00%	0%	12.00%
Confidential mid-management	7.00%	0%	13.00%
Confidential general services	7.00%	0%	13.00%
Fire mid-management	9.00%	0%	12.00%
Fire	9.00%	0%	15.00%
Mid-management	7.00%	0%	10.00%
General services	7.00%	0%	12.00%
Maintenance and operators	7.00%	0%	13.00%
IBEW	7.00%	0%	9.00%
Police mid-management	9.00%	0%	18.00%
Police mid-mgmt (Dispatch Supervisor)	7.00%	0%	16.00%
Police	9.00%	0%	18.00%
Dispatchers	7.00%	0%	10.00%

<sup>(1)</sup> Cost sharing agreement 2-3% increase to the employees. Percentages change based on bargaining unit and if PEPRA or Classic member.  
Source: City of Lodi.

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## ELECTRIC UTILITY SYSTEM FINANCIAL INFORMATION

The financial information herein consists of updated versions of the financial information and operating data contained in certain tables within the 2018 Bonds Official Statement.

### Sources of Power Supply

The table below provides a summary of the City's sources of power supply for the most recently completed Fiscal Year.

#### CITY OF LODI ELECTRIC UTILITY SYSTEM SOURCES OF POWER SUPPLY FISCAL YEAR ENDED JUNE 30, 2022

<i>Source</i>	<i>Capacity Available (MW)<sup>(1)</sup></i>	<i>Actual Energy (MWh)</i>	<i>% of Total Energy</i>
Purchased Power <sup>(2)</sup>			
Western	5.2	8,207	1.8%
NCPA			
Geothermal Project	10.5	82,810	18.2%
Hydroelectric Project	26.2	27,766	6.1%
Combustion Turbine Project No. 1	9.5	2,761	0.6%
Capital Facilities, Unit 1	19.6	6,316	1.4%
Lodi Energy Center	35.0	113,869	25.0%
Contracts and Exchanges <sup>(3)</sup>	64.2	214,397	47.0%
<b>Total</b>	<b>170.2</b>	<b>456,126</b>	<b>100.00%</b>
Total Capacity and Energy Sold at Wholesale	N/A	3,030	
Electric System Requirement for Retail Load <sup>(4)</sup>	125.4	450,096	

<sup>(1)</sup> Source: NCPA Resource Adequacy Filings.

<sup>(2)</sup> Entitlements, firm allocations and contracts

<sup>(3)</sup> Includes purchases and contracts secured through NCPA for Lodi.

<sup>(4)</sup> Source: NCPA. Includes supply from line losses.

Source: City of Lodi.

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## Customers Sales, Revenues, and Demand

Set forth below is a summary of the City's Electric Utility Department customer sales, revenues and demand for the most recently completed Fiscal Year.

### CITY OF LODI ELECTRIC UTILITY DEPARTMENT CUSTOMER SALES, REVENUES, AND DEMAND FISCAL YEAR ENDED JUNE 30, 2022

<b>Number of Customers</b>	
Residential	24,403
Commercial	3,141
Industrial	31
Other	172
<b>Total Customers</b>	<u>27,747</u>
<b>Kilowatt Hour (kWh) Sales</b>	
Residential	164,488,218
Commercial	148,912,296
Industrial	119,497,347
Other	17,641,463
<b>Total kWh Sales</b>	<u>450,539,324</u>
<b>Revenues from Sales of Energy<sup>(1)</sup></b>	
Residential	32,234,880
Commercial	29,876,198
Industrial	7,344,012
Other	8,982,222
<b>Total Revenues from Sale of Energy</b>	<u>78,437,312</u>
<b>Peak Demand (MW)</b>	125.4

<sup>(1)</sup> Excludes revenues from California Energy Commission Tax.  
Source: City of Lodi.

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## Joint Powers Agencies Outstanding Debt

The City's participation and share of debt service obligation for the most recently completed Fiscal Year for each of the joint powers agency projects in which it participates are shown in the following table.

**CITY OF LODI  
ELECTRIC UTILITY DEPARTMENT  
OUTSTANDING DEBT OF JOINT POWERS AGENCIES  
(Dollars in millions)  
FISCAL YEAR ENDED JUNE 30, 2022**

	<i>Outstanding Debt</i> <sup>(1)</sup>	<i>Lodi's Participation</i> <sup>(2)</sup>	<i>Lodi's Share of Outstanding Debt</i>
NCPA			
Geothermal Project Three	\$ 10.81	10.28%	\$ 1.11
Hydroelectric Project	199.67	10.56% <sup>(3)</sup>	21.09
Capital Facilities Project	13.79	39.50%	5.45
Lodi Energy Center Project	199.57	17.03%	33.98
TANC <sup>(4)</sup>	2.50	2.07%	0.05
<b>Total<sup>(5)</sup></b>	<b>\$ 426.34</b>	<b>14.47%</b>	<b>\$ 61.68</b>

(1) Source: NCPA. TANC information provided by SMUD.

(2) Participation obligation is subject to increase upon default of another project participant. Such increase shall not exceed, without the written consent of a non-defaulting participant, an accumulated maximum of 25% of such non-defaulting participant's original participation.

(3) Participation obligation combined percentage of Generation Entitlement Share adjusted for other NCPA member opt-out and subsequent defeasance.

(4) Excludes Lodi's participation share of TANC COTP entitlement which has been assigned to other TANC members. The City is responsible for 2.07% of TANC's South of Tesla debt service.

(5) Totals may not add due to independent rounding.

Source: City of Lodi.

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## Electric System Summary of Operating Results

The table below provides a summary of the City's Electric System operating results for the most recently completed Fiscal Year.

**CITY OF LODI  
ELECTRIC UTILITY SYSTEM  
SUMMARY OF OPERATING RESULTS<sup>(1)</sup>  
FISCAL YEAR ENDED JUNE 30, 2022  
(Dollars in 000s)**

<b>OPERATING REVENUES</b>	
Beginning Reserves <sup>(1)</sup>	\$ 42,165
Rate Revenue	69,243
ECA Revenue	9,194
Other Revenue <sup>(4)</sup>	5,461
Total Operating Revenues	83,898
<b>OPERATING EXPENSES</b>	
Purchased Power	48,381
Non-Power Costs <sup>(2)</sup>	17,788
Total Operating Expenses	66,169
<b>NET REVENUE AVAILABLE FOR DEBT SERVICE</b>	17,729
<b>PARITY DEBT SERVICE</b>	
2018 Bonds	4,188
Total Net Debt Service	4,188
<b>DEBT SERVICE COVERAGE<sup>(3)</sup></b>	4.23
Remaining Revenue Available for Other Purposes	13,541
<b>NON-OPERATING REVENUE/EXPENSES</b>	
Greenhouse gas allowance	1,672
Impact Fees	427
In-Lieu Transfer to General Fund	(7,433)
PERS Stabilization Contribution	(274)
Total Non-Operating Revenue/Expenses	(5,628)
<b>NET CASH FLOW BEFORE CAPITAL EXPENDITURES</b>	50,098
Net change in Balance Sheet Accounts <sup>(6)</sup>	(4,144)
Capital Funded from Rates	(8,213)
<b>ENDING RESERVES<sup>(5)</sup></b>	\$ 37,741

<sup>(1)</sup> As defined in the Installment Purchase Contract, this may or may not be on the same basis as Generally Accepted Accounting Principals

<sup>(2)</sup> Non-power costs include costs of services provided by other departments and does not include depreciation and amortization expense.

<sup>(3)</sup> The calculation of Debt Service Coverage does not include Available Reserves as permitted by the 2018 Installment Purchase Agreement.

<sup>(4)</sup> Includes Greenhouse Gas Revenues eligible for application to Operating Expenses or Debt Service.

<sup>(5)</sup> Includes reserve funds held locally and available at NCPA.

<sup>(6)</sup> Includes \$1.4 million in uncollected receivables due to COVID-19. Portion of which will be collected through CAPP. In addition this is the increase in receivables and uncollectible accounts resulting in the suspension of shut off's during the COVID-19 pandemic.

Source: City of Lodi.

## WASTEWATER SYSTEM FINANCIAL INFORMATION

The financial information herein consists of updated versions of the financial information and operating data contained in certain tables within the 2004A Certificates, 2012A Bonds and 2016A Bonds Official Statements.

### Wastewater Connections

The following table summarizes number of connections by user type for the most recently completed Fiscal Year.

**CITY OF LODI  
WASTEWATER SYSTEM  
NUMBER OF CONNECTIONS BY USER TYPE  
FISCAL YEAR ENDED JUNE 30, 2022**

<i>User Type</i>	<i>Total Connections</i>	<i>Percentage of Service Charge Revenue</i>
Residential	22,851	92.2%
Commercial/Industrial	1,943	7.8%
Total All Users	24,794	100%

Source: City of Lodi.

### Proportion of Service Charge Revenues

The following table summarizes the proportion of service charge revenue by class of user for the most recently completed Fiscal Year.

**CITY OF LODI  
WASTEWATER SYSTEM  
PROPORTION OF SERVICE CHARGE REVENUES BY CLASS OF USER  
FISCAL YEAR ENDED JUNE 30, 2022**

<i>User Type</i>	<i>Percentage of Total Annual Service Charge Revenue</i>
Single Family Residential	68%
Multiple Family Residential	24%
Commercial/Industrial	8%
Total	100%

Source: City of Lodi.

**Wastewater Largest Users**

The following table shows the type of business of the ten largest users of the City's Wastewater System by audited sewer service charge revenue as of June 30 of the most recently completed Fiscal Year.

**CITY OF LODI  
WASTEWATER SYSTEM  
LARGEST USERS BY SERVICE CHARGE REVENUES  
FISCAL YEAR ENDED JUNE 30, 2022**

<i><b>User</b></i>	<i><b>Type of Business</b></i>	<i><b>Service Charge Revenue</b></i>	<i><b>Percentage of Total Annual Service Charge Revenue</b></i>
Lodi Unified School District	K-12 adult education	\$ 332,406	2.03%
Rich Produce Corp	Frozen Food Manufacturer	231,332	1.42
City of Lodi	Government	72,998	0.45
Lodi Memorial Hospital	Health Care	47,474	0.29
Pacific Coast Producers	Private label fruit canning	43,651	0.27
Blue Shield of California	Health insurance	42,539	0.26
Miller Packing Company	Hot dog producer	33,973	0.21
Quick Quack Car Wash	Car Wash	31,041	0.19
Bella Terra Plaza LLC	Shopping Center	30,178	0.18
Del Castillo Foods	Restaurant	24,284	0.15
<b>Total Top 10 Users</b>		<b>\$ 889,876</b>	<b>5.50%</b>
<b>Total System</b>		<b>\$ 16,335,905</b>	<b>100.00%</b>

Source: City of Lodi Public Works.

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## Wastewater Service Charges

The following table shows the schedule of service charges for the most recently completed Fiscal Year.

**CITY OF LODI  
WASTEWATER SYSTEM  
SCHEDULE OF WASTERWATER SERVICE CHARGE  
FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Service Charge</u> <u>(effective July 1,</u> <u>2021)</u>
<b>For Residential Users (flat rate per month)</b>	
1 Bedroom	32.52
2 Bedrooms	39.06
3 Bedrooms	46.81
4 Bedrooms	56.24
5 Bedrooms	67.45
6 Bedrooms	80.96
7 Bedrooms	97.07
<b>For Residential Users (usage based rate per month)</b>	
Monthly Usage Charge (\$/CCF) <sup>(1)</sup>	2.96
¾" Meter Charge	21.65
<b>For Commercial/Industrial Users:</b>	
Moderate Strength (annual per Sewage Service Unit (SSU))	38.29
<b>High Strength:</b>	
Flow (annual per MG)	3,931.00
BOD (annual per 1,000 lbs.)	650.00
SS (annual per 1,000 lbs.)	405.00
Grease Interceptor/Septic Holding Tank Waste within City Limits (per 1,000 gal.)	343.00
Septic Holding Tank Waste Outside City Limits (per 1,000 gal.)	516.00
Disposal to Storm Drain System (per MG)	-
Disposal to Industrial System:	
Flow (per MG, annual basis)	8,078.00
BOD (per 1,000 lbs., annual basis)	170.00
Winery Waste (per 1,000 gallons)	323.00

<sup>(1)</sup> Winter water usage determined as average monthly usage from December through February.  
Source: City of Lodi.

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## Wastewater Operating Results and Debt Service Coverage

The following table is a summary of the operating results and debt service coverage of the Wastewater System of the City for the most recently completed Fiscal Year.

**CITY OF LODI  
WASTEWATER SYSTEM  
HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE  
FISCAL YEAR ENDED JUNE 30, 2022**

<b>Operating Revenues</b>	
Charges for Services	\$ 17,005,967
<b>Non-Operating Revenues</b>	
Interest Income	(370,463)
Other	493,276
<b>Total System Revenues</b>	<u>17,128,780</u>
<b>Operating Expenses</b>	
Personnel Services	621,779
Supplies, Materials, and services	3,410,361
Utilities	931,022
<b>Total Operating Expenses</b>	<u>4,963,162</u>
<b>System Net Revenues</b>	12,165,618
<b>Parity Debt Service</b>	
2004 Installment Payments	98,326
2012 Installment Payments	1,943,500
2016 Installment Payments	974,050
2017 Installment Payments	323,372
<b>Total Parity Debt Service</b>	<u>3,339,248</u>
<b>Debt Service Coverage</b>	3.64
<b>Non-Operating Expenses</b>	
Transfers (In)/Out	1,084,700
<b>Total Non-Operating Expenses</b>	<u>1,084,700</u>
<b>Net Cashflow Before Capital Expenditures</b>	<u>\$ 7,741,670</u>

Source: City of Lodi Financial Services Division.

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## Wastewater Reserve Balances

The following table shows the reserve balances of the Wastewater System for the most recently completed Fiscal Year.

**CITY OF LODI  
WASTEWATER SYSTEM  
HISTORICAL RESERVE BALANCES  
AS OF JUNE 30, 2022**

Fund	
Operating	20.71
Rate Stabilization	0.50
Impact Mitigation	7.39
Capital	1.79
Total	30.39
25% Operating Reserve Goal	7.60

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Source: City of Lodi.

## Water System Number of Accounts and Revenues by User Type

The following table shows the Number of Accounts and Revenues by User Type of the Water System for the last ten Fiscal Years.

**CITY OF LODI  
WATER SYSTEM  
NUMBER OF ACCOUNTS AND REVENUES BY USER TYPE**

Year Ending December 31	<u>Commercial/Industrial/Municipal</u>		<u>Residential</u>	
	Number of Accounts	Revenue	Number of Accounts	Revenue
2012	1,432	2,329,957	23,399	8,411,315
2013	1,415	2,436,777	21,717	10,353,374
2014	1,435	2,534,741	21,722	10,359,235
2015	1,524	2,830,790	21,387	9,410,460
2016	1,821	2,991,610	21,683	9,500,400
2017	2,909	3,087,136	22,106	9,960,627
2018	2,903	3,170,623	22,464	10,213,988
2019	2,897	3,363,278	22,661	10,888,573
2020	3,066	2,685,777	23,738	10,886,994
2021	2,882	3,119,293	23,172	10,430,001

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Source: City of Lodi.

**Water System Largest Users**

The following table shows the type of business of the ten largest users of the City's Water System by service charge revenues as of June 30 of the most recently completed Fiscal Year.

**CITY OF LODI  
WATER SYSTEM  
LARGEST USERS BY SERVICE CHARGE REVENUES  
FISCAL YEAR ENDED JUNE 30, 2022**

<i>User</i>	<i>Type of Business</i>	<i>Service Charge Revenue</i>	<i>Percentage of Total Annual Service Charge Revenue</i>
City of Lodi	Government	\$ 510,325	3.75%
Lodi Unified School District	K-12, adult education	320,166	2.35
Pacific Coast Producers	Private label fruit canning	177,406	1.30
Lodi Memorial Hospital	Health care	63,447	0.47
Rich Products Corp	Specialty bakery, frozen dough	56,898	0.42
Parkview Terrace HOA	Homeowners Assoc	21,705	0.16
All State Packers	Produce grower-shipper	21,567	0.16
Temple Baptist Church	Church	21,115	0.16
Sweetener Producers	Food distribution warehouse	20,977	0.15
Wine & Roses	Tourism center	20,622	0.15
<b>Total Top 10 Users</b>		\$ 1,234,229	9.06%
<b>Total System</b>		\$ 13,620,165	100.00%

Source: City of Lodi.

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**Water System Selected Rates**

The following table shows the selected rates for the most recently completed Fiscal Year.

**CITY OF LODI  
WATER SYSTEM  
SELECTED RATES EFFECTIVE JANUARY 1, 2022**

	<u>Percent Increase</u>	<u>Current</u>
<b>Flat Rates (\$/month)</b>		
<b>Single Family Residential Unit</b>		
1 Bedroom		\$ 32.52
2 Bedroom		39.04
3 Bedroom		46.81
<b>Metered Water Rates</b>		
<b>Service Charge (\$/month)</b>		
Single Family Residential		
Up to 3/4" Meter		21.65
Multi-Family and Non-Residential		
1" Meter		34.01
1 1/2" Meter		64.62
2" Meter		102.52
<b>Water Usage Rates (\$/CCF)</b>		
Single Family Residential		
Tier 1 – 0 to 10 CCF/month		0.96
Tier 2 – 11 to 50 CCF/month		1.28
Tier 3 – Over 50 CCF/month		1.58
Multi-Family and Non-Residential		
All Water Usage		\$ 1.14

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Source: City of Lodi.

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## Water System Historical Operating Results and Debt Service Coverage

The following table is a summary of the historical operating results and debt service coverage of the Water System of the City for the most recently completed Fiscal Year.

### CITY OF LODI WATER SYSTEM HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE FISCAL YEAR ENDED JUNE 30, 2022

<b>Gross Revenues</b>	
Water Sales <sup>(1)</sup>	\$ 13,797,949
Investment Earnings	(783,325)
Water Impact Mitigation Fees	1,198,960
Meter Retrofit Installation Charges	10,269
Other Revenues <sup>(2)</sup>	748,190
<b>Total Gross Revenues</b>	<u>14,972,043</u>
<b>Operating and Maintenance Expenses</b>	
Personnel Services	3,389,438
Supplies, Materials and Services	3,884,298
Utilities	1,251,226
Administrative Overhead	914,920
<b>Total Operating Expenses</b>	<u>9,439,882</u>
<b>Net Revenue Available for Debt Service</b>	5,532,161
<b>Debt Service</b>	
2010 Bonds	-
2020 Bonds	1,927,250
<b>Total Net Debt Service</b>	<u>1,927,250</u>
<b>Debt Service Coverage<sup>(3)</sup></b>	
Debt Service Coverage	2.87
Debt Service Coverage (excluding impact mitigation fees)	2.25
<b>Net Remaining Revenues Available for Capital</b>	3,604,911
<b>Capital Improvement Projects</b>	
Meter Retrofit Program <sup>(4)</sup>	119,871
Other Water System Improvements	1,549,287
<b>Total Capital Improvement Projects</b>	<u>1,669,158</u>
<b>Net Change in Reserve</b>	1,935,753
<b>Water Enterprise Fund<sup>(5)</sup></b>	
Beginning Cash Balance	13,946,796
Ending Cash Balance	16,696,735

- (1) Water sales reflect Council-adopted rate increases effective July 1, 2020.
- (2) Includes rent, sales of City property, discounts, water reimbursements, and damage to property, water tap fees, DBCP reimbursements, and other miscellaneous revenues.
- (3) Coverage calculated based on Net Revenues divided by net Debt Service and Net Revenues less mitigation fees divided by Net Debt Service.
- (4) Annual capital costs of the transition to water meters. Program expected to be completed in FY 2021-22.
- (5) Water Enterprise Fund balance includes both operating and capital reserves and is presented on a cash basis. Ending fund balance is calculated as beginning balance; plus operating revenues; less operating expenditures, capital improvement projects; and debt service.

Source: City of Lodi.

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## **CERTAIN DISCLAIMERS**

The information contained in this Annual Report expresses only the views of the applicable party. An explanation of the significance of any such information may be obtained from the applicable party; provided, however, that no information provided by any party is incorporated in this Annual Report. The City undertakes no responsibility to oppose any revision or withdrawal of such information contained in this Annual Report.

To the extent the City provides information in this Annual Report, the City is not obligated to present or update information in future Annual Reports. Investors are advised to refer to the Official Statements for the Obligations for information concerning the initial issuance of and security for the Obligations.

By providing the information in this Annual Report, the City does not imply or represent (a) that all information provided in this Annual Report is material to investors' decisions regarding investment in the Obligations, (b) the completeness or accuracy of any financial, operational or other information not included herein or in the Official Statements, (c) that no changes, circumstances or events have occurred since the date of this Annual Report (other than as contained herein), or (d) that no other information exists which may have a bearing on the City's financial condition, the security for the Obligations or an investor's decision to buy, sell or hold the Obligations.

The information set forth in this Annual Report or incorporated in this Annual Report has been furnished by the City and is believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Statements contained in or incorporated by this Annual Report which involves estimates, forecasts or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, expressions of opinion contained in this Annual Report or incorporated in this Annual Report are subject to change without notice and the delivery of this Annual Report will not, under any circumstances, create any implication that there has been no change in the affairs of the City. The City is relying upon, and has not independently confirmed or verified, the accuracy or completeness of information provided by the others or other information incorporated by reference therein.

No statement contained in this Annual Report should be construed as a prediction or representation about future financial performance of the City. Historical results presented herein may not be indicative of future operating results.

## CONCLUDING STATEMENT

The information set forth herein has been obtained from City staff and is fairly presented.

City of Lodi

*Andrew Keys*

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Andrew Keys, Deputy City Manager

**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE CITY  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

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