Public Utilities Commission of the
City and County of San Francisco

Water Enterprise

Annual Disclosure Report

For Fiscal Year Ending
June 30, 2009

SFPUC
WATER
WASTEWATER
POWER

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

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GENERAL MANAGER

March 30, 2010

VIA: MSRB EMMA

Dear Investors, Friends, and Interested Parties:

We are pleased to present the Annual Disclosure Report for fiscal year ending June 30, 2009 for the Public Utilities Commission of the City and County of San Francisco (SFPUC), Water Enterprise. This filing relates to the following associated base CUSIP number:

SFPUC Water Enterprise 79765R

This Annual Disclosure Report is being provided by the SFPUC in connection with our undertaking entered into in accordance with Rule 15c2-12, promulgated by the U.S. Securities Exchange Commission. The information provided in this Annual Disclosure Report speaks only as of its date, March 30, 2010. The delivery of this Annual Disclosure Report may not, under any circumstances, create an implication that there has been no other change to the information provided in any final official statement. Other than as set forth in the Continuing Disclosure Agreement, SFPUC has not agreed to notify the secondary market of subsequent changes to the information in this Annual Disclosure Report.

The filing of this Report does not constitute or imply any representation (1) that any or all of the information provided is material to investors, (2) regarding any other financial, operating or other information relating to the security for the referenced securities, (3) that no changes, circumstances or events have occurred which may have a bearing on the security for the referenced securities or an investor's decision to buy, sell, or hold the referenced securities.

Any statements regarding the referenced securities, other than a statement made by the City in an official release or subsequent notice or annual report, published in a financial newspaper of general circulation and/or filed with the Municipal Securities Rulemaking Board (MSRB) or on Electronic Municipal Market Access (EMMA), are not authorized by the SFPUC. The SFPUC shall not be responsible for the accuracy, completeness, or fairness of any such unauthorized statement.

If you have any questions regarding this Annual Disclosure Report, please contact Todd Rydstrom, Assistant General Manager, Business Services & Chief Financial Officer, at (415) 554-3155 or by e-mail at trydstrom@sfwater.org.

Sincerely,

Edward M. Harrington
General Manager

Enclosure

CC: José Cisneros, Treasurer
Ben Rosenfield, Controller
Dennis J. Herrera, City Attorney
Nadia Sesay, Director, Office of Public Finance
Angela Calvillo, Clerk of the Board of Supervisors

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City and County of San Francisco

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Steven Ritchie, Assistant General Manager, Water
Barbara Hale, Assistant General Manager, Power
Harlan Kelly, Jr., Assistant General Manager, Infrastructure
Tommy Moala, Assistant General Manager, Wastewater
Todd Rydstrom, Assistant General Manager, Business Services & Chief Financial Officer
Laura Spanjian, Assistant General Manager, External Affairs

Current as of March 30, 2010

The San Francisco Public Utilities Commission (SFPUC) hereby provides this Annual Disclosure Report for the fiscal year ending June 30, 2009 in connection with obligations undertaken pursuant to Continuing Disclosure Certificates for revenue bonds issued by SFPUC's Water Enterprise, as provided in the table below. Audited Financial Statements for the years ending June 30, 2008 and June 30, 2009 are submitted separately.

Name of Bonds	***Original Par ($000s)***	***Dated Date***	***Official Statement Date***	***Trustee***	***Source of Undertaking***
Public Utilities Commission of the City and County of San Francisco Water Revenue Bonds, 1991 Series	$70,146	April 24, 1991	May 8, 1991	n/a	n/a
Public Utilities Commission of the City and County of San Francisco Water Revenue Bonds, 2001 Series A	$140,000	August 7, 2001	July 1, 2001	US Bank	Continuing Disclosure Certificate, August 7, 2001
Public Utilities Commission of the City and County of San Francisco Water Revenue Bonds, 2002 Series A	$164,000	August 8, 2002	July 10, 2002	US Bank	Continuing Disclosure Certificate, August 8, 2002
Public Utilities Commission of the City and County of San Francisco Water Revenue Bonds, 2002 Refunding Series B	$85,260	August 8, 2002	July 10, 2002	US Bank	Continuing Disclosure Certificate, August 8, 2002
Public Utilities Commission of the City and County of San Francisco Water Revenue Bonds, 2006 Series A	$507,815	March 15, 2006	February 28, 2006	US Bank	Continuing Disclosure Certificate, March 15, 2006
Public Utilities Commission of the City and County of San Francisco Water Revenue Bonds, 2006 Refunding Series B	$110,065	March 15, 2006	February 28, 2006	US Bank	Continuing Disclosure Certificate, March 15, 2006
Public Utilities Commission of the City and County of San Francisco Water Revenue Bonds, 2006 Series C	$48,730	August 3, 2006	July 19, 2006	US Bank	Continuing Disclosure Certificate, August 3, 2006

For the convenience of bondholders, the following table provides CUSIP numbers for revenue bonds outstanding as of June 30, 2009. No assurance as to the accuracy or completeness of such CUSIP numbers is given. The base CUSIP number for these bonds is

79765R

Maturity November 1	***1991 Series***	***2001 Series A***	***2002 Series A***	***2002 Series B***	***2006 Series A***	***2006 Series B***	***2006 Series C***
2008		FK0	GR4	HX0	JK6	KK4	NA3
2009		FL8	GS2	HY8	JL4	KL2	NB1
2010	CN7	FM6	GT0	HZ5	JM2	KM0	NC9
2011		FN4	GU7	JA8	JN0	KN8	ND7
2012		FP9	GV5	JB6	JP5	KP3	NE5
2013		FQ7	GW3	JC4	JQ3	KQ1	NF2
2014		FR5	GX1	JD2	JR1	KR9	NG0
2015		FS3	GY9	JE0	JS9	KS7	NH8
2016		FT1	GZ6		JT7	KT5	NJ4
2017	CQ0	FU8	HA0		JU4	KU2	NK1
2018	DN6, CR8	FV6	HB8		JV2	KV0	NL9
2019	FC8, CS6	FW4	HC6		JW0	KW8	NM7
2020	CT4	FX2	HD4		JX8	KX6	NN5
2021		FY0	HE2		JY6	KY4	NP0
2022			HF9		JZ3	KZ1	NQ8
2023			HG7		KA6	LA5	NR6
2024		GB9			KB4	LB3	NS4
2025			HJ1		KC2	LC1	NT2
2026			HK8		KD0	LD9	NU9
2027		GE3	HL6		KE8		
2028							
2029							
2030							
2031		GJ2			KF5		
2032			HR3				
2033					KG3		
2034							
2035							
2036					KH1		

The following tables are provided pursuant to the Continuing Disclosure Certificates executed in connection with the SFPUC's Water Revenue Bonds.

SFPUC WATER ENTERPRISE
HISTORIC WHOLESALE AND RETAIL WATER SALES
FOR FISCAL YEARS ENDED JUNE 30 (IN MGD)

	2005	*2006*	*2007*	*2008*	*2009*	*2009 % of Total*
Retail customers						
Residential	46.1	46.2	45.5	43.5	43.0	18.1%
Commercial	20.1	20.2	20.0	21.5	22.4	9.4%
Suburban Retail[1]	3.0	2.7	3.1	3.3	3.0	1.2%
Municipal	2.7	2.4	2.5	5.4	5.6	2.3%
Industrial	0.3	0.3	0.2	0.2	0.2	0.1%
Docks & Shipping	0.1	0.1	0.0	0.0	0.1	0.0%
Retail water sales	**72.3**	**71.8**	**71.3**	**74.1**	**74.2**	**31.2%**
Wholesale customers						
California Water Service	34.6	34.6	37.9	37.7	36.0	15.1%
Hayward Municipal Water	18.5	18.0	18.2	19.3	19.0	8.0%
City of Palo Alto	12.1	11.9	13.0	12.7	11.6	4.9%
Alameda County Water	10.8	10.6	13.7	12.9	11.3	4.8%
City of Sunnyvale	8.8	9.4	9.4	10.5	10.7	4.5%
City of Redwood City	11.1	10.9	11.7	11.0	10.3	4.3%
City of Mountain View	10.5	10.2	10.8	10.5	9.9	4.1%
City of Milpitas	6.7	6.5	6.9	7.0	6.9	2.9%
Estero Muni Improvement District	5.2	5.2	5.6	5.5	5.1	2.2%
City of Daly City	6.9	6.2	6.2	4.5	4.4	1.9%
All Other Wholesale Customers	42.2	41.0	42.4	41.7	38.8	16.3%
Wholesale water sales	**167.4**	**164.5**	**175.8**	**173.4**	**164.0**	**68.8%**
Total water sales	**239.7**	**236.3**	**247.1**	**247.5**	**238.2**	**100%**
% Change from prior year	**-6.8%**	**-1.4%**	**4.6%**	**0.1%**	**-3.7%**	

[1] Two Suburban Retail accounts are city departments with combined sales between 1.3 and 1.5 MGD.

Source: Summary of Annual Water Sales reports and San Francisco Public Utilities Commission's Customer Information & Billing System.

SFPUC WATER ENTERPRISE
HISTORICAL PERCENTAGE INCREASES (DECREASES)
IN RETAIL AND WHOLESALE WATER RATES

Date	*Retail Rates*	*Wholesale Rates* [3]
July 1991	14.0%	39.7%
July 1992	18.0	19.2
July 1993	13.7	(33.2)
July 1994	14.0	19.1
July 1995	0.0	0.0
July 1996	7.6	0.0
July 1997	0	0.0
July 1998	0 [1]	(13.0)
July 1999	0 [1]	35.0
July 2000	0 [1]	4.4
July 2001	8.7 [1]	2.8
July 2002	8.6 [1]	0.0
July 2003	0 [1]	25.7
July 2004	0 [1]	2.7
July 2005	15.0 [1]	(9.7) [4]
July 2006	15.0 [1]	18.8
July 2007	15.0 [2]	6.3
July 2008	15.0	10.0
July 2009	15.0	15.7

(1) Proposition H, approved by San Francisco voters on June 2, 1998, froze retail water rates at then-current levels, subject to certain exceptions (including a limited exception to raise rates to pay debt service on voter-approved debt), through July 1, 2006.
(2) Adjustment effective July 14, 2007.
(3) Wholesale rates are set prospectively based on an estimate of the Wholesale Revenue Requirement.
(4) Adjustment effective April 1, 2005

Source: SFPUC, Financial Services

SFPUC WATER ENTERPRISE
ACCOUNTS AND BILLING BY USER TYPE
FOR FISCAL YEAR ENDING JUNE 30, 2009

User Type	*Active Accounts*	*Billings (000s)*[1]	*Billings as Percent of Total*
San Francisco Residential:			
Multi-Family Residential	39,664	$40,515	17.1%
Single Family Residential	110,759	29,656	12.5%
Subtotal Residential	150,423	70,171	29.6%
San Francisco Non-Residential:			
Commercial	20,003	34,889	14.7%
Municipal Customers	1,764	5,906	2.5%
Building and Construction	193	440	0.2%
Industrial	97	327	0.1%
Docks and Ships	1	81	0.0%
Subtotal Non-Residential:	22,058	41,643	17.6%
Suburban Retail:	323	6,533	2.8%
Wholesale:	81	118,627	50.1%
Total	172,885	$236,974	100.0%

[1] Billings shown on a cash basis; revenues are on accrual basis in accordance with GAAP.

Source: SFPUC, Customer Information & Billing System

SFPUC WATER ENTERPRISE
OUTSTANDING INDEBTEDNESS
FOR FISCAL YEAR ENDING JUNE 30, 2009

Series of Bonds	***Purpose***	***Initial Principal Amount***	***Principal Outstanding as of June 30, 2009***
Water Revenue Bonds, 1991 Series A	Repair and replacement of water facilities	$ 70,145,682[1]	$ 7,100,000[2]
Water Revenue Bonds, 2001 Series A	System Reliability Project and Safe Water Project	140,000,000	77,580,000
Water Revenue Bonds, 2002 Series A	System Reliability Project and Safe Water Project	164,000,000	147,520,000
Water Revenue Bonds, 2002 Refunding Series B	Refund previously outstanding Bonds of the SFPUC	85,260,000	51,425,000
Water Revenue Bonds, 2006 Series A	Water system improvements under Proposition A	507,815,000	497,060,000
Water Revenue Bonds, 2006 Refunding Series B	Refund previously outstanding Bonds of the SFPUC	110,065,000	104,245,000
Water Revenue Bonds, 2006 Refunding Series C	Refund previously outstanding Bonds of the SFPUC	48,730,000	43,560,000
Total		$1,126,015,682	$928,490,000[3]

(1) Issued as capital appreciation bonds.
(2) Represents full accreted value at maturity.
(3) Subordinate Debt: The Water Enterprise maintains a $500 million commercial paper program, which is subordinate to the outstanding revenue bonds. As of March 30, 2010, no commercial paper was outstanding.

Source: SFPUC, Financial Services

SFPUC WATER ENTERPRISE
HISTORICAL REVENUES, OPERATING & MAINTENANCE EXPENSES AND DEBT SERVICE COVERAGE (DOLLARS IN 000'S)

Fiscal Years Ending June 30,	*2005*	*2006*	*2007*	*2008*	*2009*
Operating and Investment Revenues					
Charges for Services	$173,884	$189,603	$202,787	$216,819	$247,664
Rental Income	7,898	8,763	9,929	9,645	9,399
Other Revenues	3,053	3,467	3,815	7,752	8,092
Capacity Fees[1]	-	1	-	213	626
Investing Activities[2]	5,093	11,665	24,547	12,456	7,088
Total Revenue	189,928	213,499	241,078	246,885	272,869
Operating and Maintenance Expense					
Personal Services	53,683	75,941	87,200	102,233	106,869
Contractual Services	5,235	10,047	12,437	11,292	13,619
Material and Supplies	8,293	11,176	10,661	11,506	12,671
Depreciation	40,112	41,877	43,895	45,958	49,100
Services of Other Departments	32,146	35,517	33,242	34,698	40,103
General and Administrative[3]	28,376	5,037	4,523	8,209	2,982
Other	8,608	7,339	10,540	9,156	22,971
Total Operating & Maintenance Expense	176,453	186,934	202,498	223,052	248,315
Operating and Investment Income	13,475	26,565	38,580	23,833	24,554
Coverage Calculation[4]					
+Operating and Investment Income	13,475	26,565	38,580	23,833	24,554
+Adjustment to Investing Activities[5]	2,429	(1,272)	(212)	6,971	2,021
+Depreciation & Non-Cash Expenses	48,552	46,286	52,631	54,295	54,055
+Changes in Working Capital	(9,619)	(26,441)	2,814	7,605	2,348
="Net Revenue"	$54,837	$45,138	$93,813	$92,704	$82,978
+Other Available Funds[6]	92,065	63,888	56,868	65,344	66,779
Funds Available for Debt Service	$146,902	$109,026	$150,681	$158,048	$149,757
Revenue Bond Debt Service	$37,994	$35,374	$65,115	$64,193	$69,585
Revenue Bond Debt Service Coverage[7]	3.87	3.08	2.31	2.46	2.15
Revenue Bond DSC as stated in prior year	2.54	3.88	2.42	2.33	n/a

(1) Capacity Fees reported as nonoperating revenue for the fiscal years presented above; implemented in 2008.
(2) Investing Activities include interest and investment income.
(3) Decrease in G&A beginning in 2006 results from reallocation of overhead expenses to various expense categories.
(4) Indenture defines "Net Revenue" on a cash basis.
(5) Adjustment of Investing Activities and Non-operating Revenues to cash basis.
(6) As per the Indenture, in addition to current year cash flow, the coverage calculation permits the inclusion of funds not budgeted to be spent in the next 12 months and legally available to pay debt service. Sources: City financial accounting system (FAMIS) and SFPUC Audited Financial Statements.
(7) Changes to prior year include addition of Capacity Fees and addition of Other Available Funds legally available to pay debt service not previously identified.

Source: SFPUC, Audited Financial Statements.

Subsequent Events

Water Revenue Bonds

On August 11, 2009, the SFPUC Water Enterprise sold $412,000,000 in 2009 Series A Bonds with a true fixed interest cost of 4.82% to finance a portion of the WSIP projects and refund existing commercial paper (see below). 2009 Series B Bonds in the amount of $412,000,000 were sold on September 1, 2009, with a true fixed interest cost of 4.54%.

Water Commercial Paper

In May 2003, the SFPUC established a $250,000,000 Commercial Paper Program for the Water Enterprise. In December 2008, the program authorization was increased by an additional $250,000,000 to $500,000,000. On June 30, 2009, $229,600,000 in Commercial Paper was outstanding, which was refunded in the 2009A Series bond sale, August 19, 2009.

As of March 30, 2010, there was no outstanding Commercial Paper.