

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:

Issuer's Name (please include name of state where Issuer is located):

**SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION OF THE CITY OF SAN DIEGO
(STATE: CALIFORNIA)**

**CERTIFICATES OF UNDIVIDED INTEREST (IN INSTALLMENT PAYMENTS PAYABLE FROM NET
SYSTEM REVENUES OF THE WATER UTILITY FUND OF THE CITY OF SAN DIEGO, CALIFORNIA)
SERIES 1998**

Other Obligated Person's Name (if any): _____
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP* number(s), if available, of Issuer:

**SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION OF THE CITY OF SAN DIEGO
RELATED CUSIP: 797263AW0, 797263AY6, 797263AZ3, 797263AQ3, 797263BA7, and 797263BB5**

*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

Electronic: 2 pages plus attachment

Paper (no. of pages attached) _____

If information is also available on the Internet, give URL: <http://www.sandiego.gov/investorinformation>

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

A. Annual Financial Information and Operating Data pursuant to Rule 15c2-12

(Financial information and operating data should not be filed with the MSRB.)

B. Financial Statements or CAFR pursuant to Rule 15c2-12

C. Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)

- | | |
|---|---|
| 1. Principal and interest payment delinquencies | 6. Adverse tax opinions or events affecting the tax-exempt status of the security |
| 2. Non-payment related defaults | 7. Modifications to the rights of security holders |
| 3. Unscheduled draws on debt service reserves reflecting financial difficulties | <input checked="" type="checkbox"/> 8. Bond calls |
| 4. Unscheduled draws on credit enhancements reflecting financial difficulties | 9. Defeasances |
| 5. Substitution of credit or liquidity providers, or their failure to perform | 10. Release, substitution, or sale of property securing repayment of the securities |
| | 11. Rating changes |

D. Notice of Failure to Provide Annual Financial Information as Required.

E. Other Secondary Market Information (Specify): _____

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

Issuer Contact:

Name MARY LEWIS Title CHIEF FINANCIAL OFFICER
Employer CITY OF SAN DIEGO
Address 202 C STREET, MAIL STATION 9A City SAN DIEGO State: CA Zip Code 92101

Dissemination Agent Contact, if any:

Name: MARY LEWIS Title: CHIEF FINANCIAL OFFICER
Employer: CITY OF SAN DIEGO
Address: 202 C STREET, MAIL STATION 9A City: SAN DIEGO State: CA Zip Code: 92101
Relationship to Issuer: DISCLOSURE REPRESENTATIVE

Investor Relations Contact, if any:

Name _____ Title _____
Telephone _____ Email Address _____

REPORT OF INFORMATION
Dated May 27, 2009

Facilities and Equipment Leasing Corporation of the City of San Diego

Certificates of Undivided Interest, Series 1998
Maturing August 1, 2015, 2016, 2017, 2018, 2021 and 2024⁽¹⁾

On January 29, 2009, the Public Facilities Financing Authority of the City of San Diego ("Authority") sold \$157,190,000 Water Revenue Bonds, Refunding Series 2009A ("2009A Bonds") which included refunding of the 2015 through 2018 serial maturities and the 2021 term maturity of the Certificates of Undivided Interest (In Installment Payments Payable From Net System Revenues of the Water Utility Fund of the City of San Diego, California) Series 1998 ("1998 Certificates"). The bonds redeemed totaled \$94,165,000. The 2009A Bonds are payable solely from installment payments secured by the Water Utility Fund. The 1998 Certificates with maturities of August 1, 2015, 2016, 2017, 2018 and 2021 were redeemed on February 11, 2009.

On April 20, 2009, \$9,525,000 of principal of the 1998 Certificates with the maturity of August 1, 2024 were redeemed from funds related to the partial release of the 1998 Certificates Debt Service Reserve Fund.

Attached are the Trustee's Conditional Notices of Prepayment issued on January 12, 2009 and March 20, 2009, respectively.

City of San Diego



Mary Lewis
Chief Financial Officer

⁽¹⁾ 1998 Certificates maturing on August 1, 2024 were partially redeemed. \$38,405,000 remains outstanding.

CONDITIONAL NOTICE OF OPTIONAL PREPAYMENT

TO THE HOLDERS OF CERTIFICATES OF UNDIVIDED INTEREST (IN INSTALLMENTS PAYMENTS PAYABLE FROM NET SYSTEM REVENUES OF THE WATER UTILITY FUND OF THE CITY OF SAN DIEGO, CALIFORNIA) SERIES 1998

CONDITIONAL NOTICE is hereby given on behalf of the City of San Diego (the “City”) that, pursuant to Section 4.01(a) of the Trust Agreement dated as of August 1, 1998 (the “**Agreement**”), by and among the City, San Diego Facilities and Equipment Leasing Corporation (the “Corporation”) and State Street Bank and Trust Company of California, N.A. (as predecessor-in-interest to Wells Fargo Bank, National Association), as trustee (the “**Trustee**”), the above-referenced certificates (the “**Certificates**”) in the aggregate principal amount of \$44,040,000 as listed below are being called for prepayment on February 11, 2009 (the “**Prepayment Date**”), with the Certificates being prepaid at the prepayment price of 101% (expressed as a percentage of the principal amount of Certificates called for prepayment) (the “**Prepayment Price**”) plus accrued interest to the Prepayment Date. On and after February 11, 2009, interest shall cease to accrue on the Certificates being called for prepayment.

Maturity Date (August 1)	Interest Rate	Prepayment Price	Amount Called	CUSIP No.	Original Issue Date
2015	5.00%	101%	\$895,000	797263AW0	August 1, 1998
2016	5.00%	101%	\$13,670,000	797263AY6	August 1, 1998
2017	5.00%	101%	\$14,370,000	797263AZ3	August 1, 1998
2018	5.00%	101%	\$15,105,000	797263AQ3	August 1, 1998

This Conditional Notice will be withdrawn if the Public Facilities Financing Authority of the City of San Diego (the “Authority”) fails to issue its Public Facilities Financing Authority of the City of San Diego Water Revenue Bonds, Refunding Series 2009A (Payable Solely From Installment Payments Secured by Net System Revenues of the Water Utility Fund), on or before the Prepayment Date. If this Conditional Notice is withdrawn by the City, this Conditional Notice shall be of no force or effect, and none of the Certificates shall be prepaid on the Prepayment Date.

Payment of the Prepayment Price on the Certificates called for prepayment will become due and payable on the Prepayment Date upon presentation and surrender thereof in the following manner.

By Registered or Certified Mail:
Wells Fargo Bank Minnesota, N.A.
Attn: Corporate Trust Operations
P.O. Box 1517
Minneapolis, MN 55480-1517

If in person, by hand:
Wells Fargo Bank Minnesota, N.A.
Northstar East Building
608 Second Avenue South
12th Floor–Corporate Trust Services
Minneapolis, MN

By Air Courier:
Wells Fargo Bank Minnesota, N.A.
Attn: Corporate Trust Operations
MAC Code: N9303-121
6th & Marquette
Minneapolis, MN 55479

Our customer service number is 1-800-344-5128.

Registered or certified mail is suggested when submitting Certificates for payment.

When inquiring about this prepayment, please have the Certificate number available. Please inform the customer service representative of the CUSIP number(s) of the affected Certificates.

Under section 3406(a)(1) of the Internal Revenue Code, the Trustee making payment of interest or principal on securities may be obligated to withhold a percentage of the payment to a holder who has failed to furnish the Registrar with a valid taxpayer identification number, certification that the number supplied is correct, and that the holder is not subject to backup withholding. Holders of the Certificates who wish to avoid the application of these provisions should submit either a completed IRS (Internal Revenue Service) Form W-9 (use only if the holder is a U.S. person, including a resident alien), or the appropriate form W-8 (use only if you are neither a U.S. person or a resident alien), when presenting the certificates for payment. See IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities. Publication 515 and W-8 forms and instructions are available through the IRS via their web site at www.irs.gov.

The CUSIP numbers have been assigned by Standard & Poor’s Corporation and are included solely for the convenience of the Certificate holders. Neither the City nor the Trustee shall be responsible for the selection or use of the CUSIP numbers nor is any representation made as to their correctness on the Certificates or as indicated in any prepayment notice.

Dated: January 12, 2009
Loan Key: SAND898CUIWU

Wells Fargo Bank, National Association
as Trustee

CONDITIONAL NOTICE OF OPTIONAL PREPAYMENT

TO THE HOLDERS OF CERTIFICATES OF UNDIVIDED INTEREST (IN INSTALLMENTS PAYMENTS PAYABLE FROM NET SYSTEM REVENUES OF THE WATER UTILITY FUND OF THE CITY OF SAN DIEGO, CALIFORNIA) SERIES 1998

CONDITIONAL NOTICE is hereby given on behalf of the City of San Diego (the “**City**”) that, pursuant to Section 4.01(a) of the Trust Agreement dated as of August 1, 1998 (the “**Agreement**”), by and among the City, San Diego Facilities and Equipment Leasing Corporation (the “**Corporation**”) and State Street Bank and Trust Company of California, N.A. (as predecessor-in-interest to Wells Fargo Bank, National Association), as trustee (the “**Trustee**”), the above-referenced certificates (the “**Certificates**”) in the aggregate principal amount of \$50,125,000 as listed below are being called for prepayment on February 11, 2009 (the “**Prepayment Date**”), with the Certificates being prepaid at the prepayment price of 101% (expressed as a percentage of the principal amount of Certificates called for prepayment) (the “**Prepayment Price**”) plus accrued interest to the Prepayment Date. On and after February 11, 2009, interest shall cease to accrue on the Certificates being called for prepayment.

Maturity Date (August 1)	Interest Rate	Prepayment Price	Amount Called	CUSIP No.	Original Issue Date
2021	5.00%	101%	\$50,125,000	797263BA7	August 1, 1998

This Conditional Notice will be withdrawn if the Public Facilities Financing Authority of the City of San Diego (the “Authority”) fails to issue its Public Facilities Financing Authority of the City of San Diego Water Revenue Bonds, Refunding Series 2009A (Payable Solely From Installment Payments Secured by Net System Revenues of the Water Utility Fund), on or before the Prepayment Date. If this Conditional Notice is withdrawn by the City, this Conditional Notice shall be of no force or effect, and none of the Certificates shall be prepaid on the Prepayment Date.

Payment of the Prepayment Price on the Certificates called for prepayment will become due and payable on the Prepayment Date upon presentation and surrender thereof in the following manner.

By Registered or Certified Mail:

Wells Fargo Bank Minnesota, N.A.
Attn: Corporate Trust Operations
P.O. Box 1517
Minneapolis, MN 55480-1517

If in person, by hand:

Wells Fargo Bank Minnesota, N.A.
Northstar East Building
608 Second Avenue South
12th Floor—Corporate Trust Services
Minneapolis, MN

By Air Courier:

Wells Fargo Bank Minnesota, N.A.
Attn: Corporate Trust Operations
MAC Code: N9303-121
6th & Marquette
Minneapolis, MN 55479

Our customer service number is 1-800-344-5128.

Registered or certified mail is suggested when submitting Certificates for payment.

When inquiring about this prepayment, please have the Certificate number available. Please inform the customer service representative of the CUSIP number(s) of the affected Certificates.

Under section 3406(a)(1) of the Internal Revenue Code, the Trustee making payment of interest or principal on securities may be obligated to withhold a percentage of the payment to a holder who has failed to furnish the Registrar with a valid taxpayer identification number, certification that the number supplied is correct, and that the holder is not subject to backup withholding. Holders of the Certificates who wish to avoid the application of these provisions should submit either a completed IRS (Internal Revenue Service) Form W-9 (use only if the holder is a U.S. person, including a resident alien), or the appropriate form W-8 (use only if you are neither a U.S. person or a resident alien), when presenting the certificates for payment. See IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities. Publication 515 and W-8 forms and instructions are available through the IRS via their web site at www.irs.gov.

The CUSIP number has been assigned by Standard & Poor’s Corporation and is included solely for the convenience of the Certificate holders. Neither the City nor the Trustee shall be responsible for the selection or use of the CUSIP number nor is any representation made as to its correctness on the Certificates or as indicated in any prepayment notice.

Dated: January 12, 2009
Loan Key: SAND898CUIWU

Wells Fargo Bank, National Association
as Trustee

NOTICE OF OPTIONAL PREPAYMENT

TO THE HOLDERS OF CERTIFICATES OF UNDIVIDED INTEREST (IN INSTALLMENTS PAYMENTS PAYABLE FROM NET SYSTEM REVENUES OF THE WATER UTILITY FUND OF THE CITY OF SAN DIEGO, CALIFORNIA) SERIES 1998

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Maturity Date (August 1)	Interest Rate	Prepayment Price	Amount Called	CUSIP No.	Original Issue Date
2024	5.20%	101%	\$9,525,000	797263BB5	August 1, 1998

Payment of the Prepayment Price on the Certificates called for prepayment will become due and payable on the Prepayment Date upon presentation and surrender thereof in the following manner.

By Registered or Certified Mail:

Wells Fargo Bank Minnesota, N.A.
Attn: Corporate Trust Operations
P.O. Box 1517
Minneapolis, MN 55480-1517

If in person, by hand:

Wells Fargo Bank Minnesota, N.A.
Northstar East Building
608 Second Avenue South
12th Floor—Corporate Trust Services
Minneapolis, MN

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Wells Fargo Bank Minnesota, N.A.
Attn: Corporate Trust Operations
MAC Code: N9303-121
6th & Marquette
Minneapolis, MN 55479

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Dated: March 20, 2009
Loan Key: SAND898CUIWU

Wells Fargo Bank, National Association
as Trustee