

**ANNUAL REPORT FOR THE FISCAL YEAR ENDED June 30, 2011
RELATING TO**

\$286,945,000

**PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
SUBORDINATED WATER REVENUE BONDS, SERIES 2002
(Payable Solely from Subordinated Installment Payments Secured By
Net System Revenues of the Water Utility Fund)
(CUSIP Number 79730C)**

and

\$157,190,000

**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)
(CUSIP Number 79730C)**

and

\$328,060,000

**PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
WATER REVENUE BONDS, SERIES 2009B
(Payable Solely From Installment Payments
Secured by Net System Revenues of the Water Utility Fund)
(CUSIP Number 79730C)**

and

\$123,075,000

**PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO
WATER REVENUE BONDS, REFUNDING SERIES 2010A
(Payable Solely From Installment Payments
Secured by Net System Revenues of the Water Utility Fund)
(CUSIP Number 79730C)**

Introduction

The Public Facilities Financing Authority of the City of San Diego Subordinated Water Revenue Bonds, Series 2002 (“2002 Bonds”) the Water Revenue Bonds, Refunding Series 2009A (“2009A Bonds”), the Water Revenue Bonds, Series 2009B (“2009B Bonds”), and the Water Revenue Bonds, Refunding Series 2010A (“2010A Bonds”) will collectively be referred to as the “Outstanding Water Bonds.”

This Annual Report for the Fiscal Year ended June 30, 2011 is being provided by the City of San Diego (the “City”) on behalf of itself, the San Diego Facilities and Equipment Leasing Corporation (the “Corporation”), and the Public Facilities Financing Authority of the City of San Diego (the “Authority”), pursuant to the Continuing Disclosure Certificates (the “Certificates”) between the City and Wells Fargo Bank National Association, as Trustee, (the “Trustee”) relating to the Outstanding Water Bonds, entered into to allow the respective underwriters to comply with the Securities and Exchange Commission Rule 15c2-12.

This Annual Report is being transmitted electronically by the City to the Electronic Municipal Market Access (“EMMA”) System of the Municipal Securities Rulemaking Board (“MSRB”).

This Annual Report is provided in accordance with the terms of the Continuing Disclosure Agreements and Certificates, and does not purport to provide full and complete information on the terms of the above stated issuances. The filing of this Annual Report does not constitute or imply any representation that no changes, circumstances or events have occurred since the end of the Fiscal Year to which this Annual Report relates (other than as contained in this Annual Report), or that no other information exists, which may have a bearing on the security for the above stated issuances or an investor's decision to buy, sell or hold the above-stated issuances. Certain information and data provided herein was obtained from sources other than the City ("Outside Information"), as indicated by the source citations. Although the information contained in this Annual Report has been obtained from sources that are believed to be reliable, the City has not independently verified such Outside Information, and the City cannot guarantee its completion or accuracy. Certain of the information presented in this Annual Report may contain forward-looking statements. Forward-looking statements may be indicated by forward-looking words such as "may," "will," "should," "expects," "believes," "anticipates," "estimates," or others. Forward looking statements are subject to a variety of uncertainties that could cause actual results to differ from the projected results. No statement in this Annual Report should be construed as a prediction or representation of future financial performance of the City, the Corporation, the Authority, the Water System, or the Outstanding Water Bonds.

The City is acting as the Dissemination Agent for each of the above stated issuances. The City does not have any obligation to update this report other than as expressly provided in the Continuing Disclosure Agreements and Certificates for each of the above stated issuances.

Any statements regarding the above- referenced issuances, other than a statement made by the City in an official release that is filed with the MSRB's EMMA system or posted on the City's investor information webpage, are not intended to be the basis of, nor should they be relied upon, in making an investment decision. The City shall not be responsible for the accuracy, completeness or fairness of any statements other than those obtained in the aforementioned locations.

DATED: 3/22, 2012

City of San Diego

By: 
Jay M. Goldstone
Chief Operating Officer

Distribution: Municipal Securities Rulemaking Board, Electronic Municipal Market Access System
Wells Fargo Bank, National Association (Trustee)
National Public Finance Guarantee Corporation

Financial and Operating Data

As required by the Continuing Disclosure Certificates, below are updates of certain required tabular information from the Official Statements. The tables have been reordered to conform to the order in the latest Official Statement (2010A Bonds) including additional new tables related to pension funding and retiree health contributions. The Table titled “Projected Operating Revenues and Expenses” which is included is required only under the continuing disclosure certificates associated with the 2002 Bonds. Additionally, included are updates providing information under the captions “Public Liability Insurance,” “Labor Relations,” “Pension Plan,” and “Investment of Funds,” “Water System Share of Contribution to Pension System and NPO,” and “Postemployment Healthcare Benefits” for the Outstanding Water Bonds are also contained in this Annual Report.

The City of San Diego’s Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2011 (“CAFR”), which includes the City’s Fiscal Year 2011 audited financial statements was electronically transmitted to the Electronic Municipal Market Access (“EMMA”) System of the Municipal Securities Rulemaking Board (“MSRB”) on March 1, 2012.

HISTORICAL NUMBER OF RETAIL CONNECTIONS TO WATER SYSTEM Fiscal Years 2007 through 2011 (Unaudited)

<u>Customer Type</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Single Family Residential	219,984	220,519	220,854	221,274	221,863
Multi-Family	29,239	29,208	29,193	29,190	29,167
Commercial	15,604	15,603	15,598	15,605	15,631
Industrial	231	215	205	188	185
Outside City ⁽¹⁾	45	46	45	45	44
Irrigation ⁽²⁾	7,463	7,462	7,465	7,465	7,480
Temporary Construction	374	345	296	278	308
TOTAL	<u>272,940</u>	<u>273,398</u>	<u>273,656</u>	<u>274,045</u>	<u>274,678</u>
Percent Growth	0.33%	0.17%	0.09%	0.14%	0.23%

(1) Represents retail customers located beyond the City limits that the City has agreed to service. The City’s billing system identifies each such account as a separate customer type. Due to the small number of such customers, the group is not classified as an individual customer class.

(2) Established as a separate customer classification in Fiscal Year 2008; amounts for Fiscal Year 2007 were derived from historical reports.

Source: Public Utilities Department, City of San Diego.

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**MAJOR NON-GOVERNMENTAL RETAIL CUSTOMERS
AND MAJOR GOVERNMENTAL CUSTOMERS
Fiscal Year 2011
(Unaudited)**

Customers	Millions of Cubic Feet	Billings	% of Total Sales Revenues
MAJOR NON-GOVERNMENTAL RETAIL CUSTOMERS			
CP Kelco	47.37	\$1,733,650	0.49%
San Diego Zoo	24.42	895,645	0.26%
Marine Park Corp	24.59	903,765	0.25%
Garden Communities	15.46	614,297	0.17%
Coca Cola Bottling Co	15.04	545,318	0.15%
Sharp Memorial Hospital	13.28	512,041	0.14%
H G Fenton Co.	11.37	498,990	0.14%
ERP Operating LP	10.55	444,159	0.12%
Costa Verde Dev LLC	10.42	427,874	0.12%
Marriott Full Service	10.48	402,929	0.11%
TOTAL TOP 10 NON-GOVERNMENTAL RETAIL CUSTOMERS	182.98	\$6,978,668	1.95%
MAJOR GOVERNMENTAL CUSTOMERS			
City of San Diego	292.40	\$12,301,035	3.43%
United States Navy	196.11	8,338,801	2.32%
University of California at San Diego	87.65	3,322,610	0.93%
San Diego Unified School District	42.95	2,198,096	0.61%
California Department of Transportation	40.86	1,832,534	0.51%
Other Federal Agencies ⁽¹⁾	44.38	1,723,963	0.48%
San Diego Port District	19.47	862,976	0.24%
San Diego State University	21.06	828,864	0.23%
County of San Diego	17.98	701,386	0.20%
San Diego Housing Commission	12.65	548,360	0.15%
TOTAL TOP 10 GOVERNMENTAL CUSTOMERS	775.51	\$32,658,625	9.10%

(1) Includes several federal agencies, the United State Postal Service, the Federal Bureau of Investigation, and the United State Coast Guard.

Source: Public Utilities Department, City of San Diego.

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PROJECTED WATER SUPPLY SOURCES
Fiscal Years 2015 through 2035
Acre Feet/Year (AFY)

Water Supply Sources	2015	%	2020	%	2025	%	2030	%	2035	%
San Diego County Water Authority	201,719	83.9%	221,458	85.1%	237,622	86.0%	249,728	86.6%	260,107	87.0%
Supplier produced surface water	29,000	12.1%	29,000	11.1%	29,000	10.5%	29,000	10.0%	29,000	9.7%
Supplier produced groundwater	500	0.2%	500	0.2%	500	0.2%	500	0.2%	500	0.2%
Recycled Water	9,253	3.8%	9,253	3.6%	9,253	3.3%	9,253	3.2%	9,253	3.1%
Total	240,472	100%	260,211	100%	276,375	100%	288,481	100%	298,860	100%

Source: 2010 Urban Water Management Plan. Public Utilities Department, City of San Diego.

SUMMARY OF PROJECTED CIP PROJECTS ⁽¹⁾⁽²⁾⁽³⁾

Fiscal Years 2012 through 2016

Description	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Total
Water Treatment Plants	\$1,665,810	\$922,940	\$0	\$4,860,253	\$24,920,770	\$32,369,773
Pipelines	65,115,830	65,741,747	71,512,803	78,094,726	62,191,851	342,656,957
Pump Stations	2,918,184	17,713,284	7,668,526	155,891	207,000	28,662,885
Storage Facilities ⁽⁴⁾	4,055,489	3,776,762	8,047,960	3,944,293	2,144,520	21,969,024
Reclaimed Water Facility	2,243,907	4,831,295	87,345	0	0	7,162,548
Groundwater	200,000	512,500	515,000	1,030,000	5,175,000	7,432,500
Security	5,074,673	4,565,495	1,442,800	0	0	11,082,968
Miscellaneous	2,650,759	6,192,198	8,550,964	2,327,518	0	19,721,440
Total	\$83,924,652	\$104,256,222	\$97,825,398	\$90,412,681	\$94,639,141	\$471,058,094

(1) Projections as of March 2012.

(2) Amounts reflect the aggregate costs of all CIP projects required to satisfy the DPH Compliance Order as well as projects related thereto or necessary for the operation thereof. For Fiscal Years 2012 through 2016, approximately 55% of the capital program is mandated by DPH.

(3) Assumes a 4% rate increase in Fiscal Year 2014 and 2% rate increase in Fiscal Years 2015 and 2016. Assumed rate increases subject to independent Cost of Service Study, Prop 218 related rate payer majority consent, and the City Council approval.

(4) Storage Facilities include raw and treated water reservoirs.

Source: Public Utilities Department, City of San Diego.

**FIVE-YEAR WATER SERVICE CHARGE HISTORY FOR SINGLE FAMILY RESIDENTIAL,
MULTI-FAMILY, COMMERCIAL, INDUSTRIAL, IRRIGATION, AND
TEMPORARY CONSTRUCTION
Fiscal Years 2007 through 2011**

<u>Justification for Increase:</u>	<u>Revenue Requirement</u>	<u>Revenue Requirement</u>	<u>Increase in Water Costs from CWA*</u>	<u>Revenue Requirement</u>	<u>Increase in Water Costs from CWA and IPR Project</u>	<u>Revenue Requirement</u>	<u>Increase in Water Costs from CWA</u>	<u>Revenue Requirement</u>	<u>Revenue Requirement</u>	<u>Revenue Requirement</u>	<u>Revenue Requirement</u>	<u>Increase in Water Costs from CWA</u>
Increase amount:	Approx. 9.0%	6.5%	\$0.14/EDU	6.5%	\$0.20/EDU	6.5%	\$0.12/EDU	6.5%	0%	0%	0%	\$0.47/EDU
BASE FEES ⁽¹⁾	7/1/06	7/1/07 ⁽³⁾	1/1/08	7/1/08	1/1/09	7/1/09	1/1/10	7/1/10	9/1/2010	1/1/2011	1/1/2011	3/1/2011
Meter Size:	5/8 inch	\$15.87	\$15.18	\$15.32	\$16.32	\$16.52	\$17.59	\$17.71	\$18.86	\$18.86	\$18.86	\$19.33
	3/4 inch	15.87	15.18	15.32	16.32	16.52	17.59	17.71	18.86	18.86	18.86	19.33
	1 inch	17.11	22.17	22.41	23.86	24.20	25.77	25.97	27.66	27.66	27.66	28.46
	1 1/2 inch	75.41	38.13	38.59	41.10	41.76	44.47	44.87	47.79	47.79	47.79	49.34
	2 inch	116.24	58.09	58.83	62.66	63.72	67.86	68.50	72.95	72.95	72.95	75.44
	3 inch	414.73	104.98	106.38	113.29	115.29	122.78	123.90	132.04	132.04	132.04	136.74
	4 inch	692.00	171.83	174.17	185.49	188.83	201.10	203.10	216.30	216.30	216.30	224.15
	6 inch	1,542.72	337.46	342.12	364.36	371.02	395.14	399.14	425.08	425.08	425.08	440.73
	8 inch	2,081.78	537.01	544.47	579.86	590.52	628.90	635.30	676.59	676.59	676.59	701.64
	10 inch	2,793.63	770.49	781.23	832.01	847.35	902.43	911.63	970.89	970.89	970.89	1,006.94
	12 inch	3,892.44	1,435.00	1,455.06	1,549.64	1,578.30	1,680.89	1,698.09	1,808.47	1,808.47	1,808.47	1,875.82
	16 inch	6,514.14	2,499.62	2,534.62	2,699.37	2,749.37	2,928.08	2,958.08	3,150.36	3,150.36	3,150.36	3,267.86

COMMODITY CHARGE

<u>Customer Type:</u>	<u>Usage ⁽⁴⁾:</u>	<u>7/1/06</u>	<u>7/1/07</u>	<u>1/1/08</u>	<u>7/1/08</u>	<u>1/1/09</u>	<u>7/1/09</u>	<u>1/1/10</u>	<u>7/1/10</u>	<u>9/1/2010</u>	<u>1/1/2011</u>	<u>3/1/2011</u>
	<u>Increase amount:</u>	<u>4.5%</u>	<u>6.5%</u>	<u>\$0.09/HCF</u>	<u>6.5%</u>	<u>\$8.5% (CWA) and 3.08%(IPR)</u>	<u>6.5%</u>	<u>10.6%</u>	<u>6.5%</u>	<u>-3.86%(IPR Sunset)</u>	<u>-2.16% (CWA)</u>	<u>7.90% (CWA)</u>
Single Family Residential												
Tier 1	0-7 HCF	\$1.731	\$2.262	\$2.352	\$2.505	\$2.795	\$2.977	\$3.293	\$3.507	\$3.410	\$3.348	\$3.612
Tier 2	8-14 HCF	2.163	2.461	2.551	2.717	3.032	3.229	3.571	3.803	3.698	3.630	3.917
Tier 3	15+ HCF	2.372	2.775	2.865	3.051	3.404	3.625	4.009	4.270	4.152	4.076	4.398
Typical Single Family Monthly Bill Based on 14 HCF/month		43.13	48.24	49.64	52.87	57.31	61.03	65.76	70.03	68.62	67.70	72.03
Multi-Family ⁽²⁾	per HCF ⁽⁵⁾	2.003	2.461	2.551	2.717	3.032	3.229	3.571	3.803	3.698	3.630	3.917
Commercial ⁽²⁾	per HCF ⁽⁵⁾	2.003	2.357	2.447	2.606	2.908	3.097	3.425	3.648	3.547	3.482	3.757
Industrial ⁽²⁾	per HCF ⁽⁵⁾	2.003	2.357	2.447	2.606	2.908	3.097	3.425	3.648	3.547	3.482	3.757
Irrigation ⁽²⁾	per HCF ⁽⁵⁾	-	2.524	2.614	2.784	3.107	3.309	3.660	3.898	3.790	3.721	4.014
Temporary Construction ⁽²⁾	per HCF ⁽⁵⁾	-	2.524	2.614	2.784	3.107	3.309	3.660	3.898	3.790	3.721	4.014

* San Diego County Water Authority ("CWA")

⁽¹⁾ The base fee is dependent on the meter size.

⁽²⁾ On July 1, 2007, the City established separate categories for Multi-Family, Commercial/Industrial, and Irrigation/Temporary Construction.

⁽³⁾ Decrease in base fees for 2-inch and smaller meters reflect the 2007 Rate Case and pricing methodologies revised to reflect American Water Work Association methodologies.

⁽⁴⁾ HCF (Hundred Cubic Feet) = 748 gallons.

⁽⁵⁾ One rate for all usage amounts.

Source: Public Utilities Department, City of San Diego.

**RECENT RATE HISTORY
FOR WATER CAPACITY CHARGES
Fiscal Years 2007 through 2011
(Unaudited)**

Fiscal Year	Water Capacity Charges (Per EDU)⁽¹⁾	% Increase/ (Decrease)⁽²⁾
2007	\$ 2,550	0.0
2008	\$ 3,047	19.5
2009	\$ 3,047	0.0
2010	\$ 3,047	0.0
2011	\$ 3,047	0.0

(1) "EDU" means Equivalent Dwelling Units.

(2) Figure represents percentage change from prior year.

Source: Public Utilities Department, City of San Diego.

**WATER UTILITY FUND
HISTORICAL CAPACITY CHARGE REVENUES
Fiscal Years 2007 through 2011
(Unaudited)**

Fiscal Year	New Equivalent Dwelling Units	Capacity Charge Revenues⁽¹⁾
2007	5,788	\$13,682,238
2008	4,337	\$ 9,697,815
2009	1,826	\$ 4,232,469
2010	1,567	\$ 4,486,143
2011	2,474	\$ 7,516,512

(1) Fiscal Years 2007 – 2011 included with Capital Contributions on Statement of Revenues, Expenses and Changes in Net Assets in Comprehensive Annual Financial Report of the indicated Fiscal Year.

Source: Office of the Comptroller, and Public Utilities Department, City of San Diego.

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**WATER CUSTOMER ACCOUNTS RECEIVABLE
AND SHUT-OFFS BY FISCAL YEAR
Fiscal Years 2007 through 2011
(In Thousands)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Water Sales Revenue ⁽¹⁾	\$289,127	\$297,225	\$324,772	\$354,543	\$358,747
Accounts Receivable ⁽²⁾	\$28,126	\$25,995	\$25,311	\$29,817	\$19,359
Accounts Receivable Over 120 Days ⁽²⁾	\$3,644	\$2,939	\$2,190	\$2,396	\$1,861
% of Total Water Sales Revenues ⁽³⁾	1.26%	1.00%	0.67%	0.68%	0.52%
No. of Shut-Offs ⁽⁴⁾	20,451	22,420	23,650	26,875	23,271

(1) Fiscal Years 2007 – 2011 are audited. All other items unaudited.

(2) Amounts are as of June 30 and represent the receivable portion of billed customer accounts as of the end of each Fiscal Year. Not included are amounts for unbilled accounts as of June 30.

(3) Percentage of Accounts Receivable over 120 days as compared to Total Water Sales Revenues.

(4) Shut-Offs for non-payment may include multiple shut-offs at the same address throughout the Fiscal Year.

Source: The City's Comprehensive Annual Financial Reports for the indicated Fiscal Years with respect to "Water Sales Revenue"; Public Utilities Department and Office of the Comptroller, City of San Diego, for all other line items.

HISTORICAL SOURCES OF WATER SALES REVENUES ⁽¹⁾
Fiscal Years 2007 through 2011
(In Thousands)

<u>Sources</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Retail					
Single Family Residential	\$114,461	\$126,373	\$132,806	\$148,262	\$155,958
Multi-Family ⁽²⁾	61,754	62,404	67,529	80,065	81,662
Commercial	93,042	87,465	100,581	104,819	101,200
Industrial	3,091	2,718	3,050	3,723	3,749
Reclaimed	5,528	5,867	7,737	4,488	4,129
Outside City	144	46	52	52	52
Wholesale to Other Retailers					
Other Utilities ⁽³⁾	9,776	9,809	10,238	10,718	9,747
Water Districts	1,331	2,543	2,779	2,416	2,250
TOTAL ⁽⁴⁾	<u><u>\$289,127</u></u>	<u><u>\$297,225</u></u>	<u><u>\$324,772</u></u>	<u><u>\$354,543</u></u>	<u><u>\$358,747</u></u>

(1) Also referred to as "Historical Sources of Water Service Revenues" under certain Continuing Disclosure Certificates.

(2) Previously listed as "Other Domestic" customer type.

(3) Primarily reflects wholesale revenues from California American Water Company.

(4) Fiscal Years 2007 – 2011 totals are audited. All other line items unaudited.

Source: The City's Comprehensive Annual Financial Reports for Fiscal Years 2007 through 2011 for Total; Public Utilities Department and Office of the Comptroller, City of San Diego for all other line items.

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE WATER UTILITY FUND
Fiscal Years 2007 through 2011
(In Thousands)
(Audited)**

	2007	2008	2009	2010	2011
OPERATING REVENUES⁽¹⁾					
Sales of Water	\$289,127	\$297,225	\$324,772	\$354,543	\$358,747
Charges for Services	1,147	33	0	14,655	3,789
Revenue from Use of Property	6,162	6,115	5,418	4,431	5,540
Usage Fees	1,594	1,235	1,272	503	33
Other ⁽¹⁾	12,262	14,018	11,257	2,329	3,406
TOTAL OPERATING REVENUES	\$310,292	\$318,626	\$342,719	\$376,461	\$371,515
OPERATING EXPENSES⁽²⁾					
Maintenance and Operations	\$97,821	\$100,360	\$95,979	\$70,568	\$72,027
Cost of Purchased Water Used	124,880	121,186	133,499	148,232	143,155
Taxes ⁽¹⁾	163	162	162	1,805	1,755
Administration ⁽¹⁾	30,964	36,722	33,258	65,169	65,926
Depreciation	27,644	29,870	39,627	38,525	43,054
TOTAL OPERATING EXPENSES	\$281,472	\$288,300	\$302,525	\$324,299	\$325,917
OPERATING INCOME (LOSS)	\$28,820	30,326	\$40,194	\$52,162	\$45,598
NONOPERATING REVENUES (EXPENSES)					
Earnings on Investments ⁽³⁾	\$11,461	\$15,536	\$12,478	\$8,914	\$4,468
Federal Grant Assistance	283	1,427	192	1,351	203
Other Agency Grant Assistance	284	272	1,070	(135)	7,028
Gain (Loss) on Sale/Retirement of Capital Assets	(5,076)	(3,494)	(2,436)	(2,582)	(1,164)
Debt Service Interest Expense	(26,370)	(29,919)	(28,081)	(38,240)	(34,490)
Other ⁽³⁾	175	980	751	3,809	3,552
TOTAL NON OPERATING REVENUES (EXPENSES)	\$(19,243)	\$(15,198)	\$(16,026)	\$(26,883)	\$(20,403)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$9,577	\$15,128	\$24,168	\$25,279	\$25,195
Capital Contributions	\$80,859	\$31,526	\$30,277	\$23,932	\$18,011
Transfers from Other Funds	352	578	439	245	113
Transfers from Governmental Funds	84	3,867	3,443	337	142
Transfers to Other Funds	(234)	(93)	(99)	(2)	--
Transfer to Governmental Funds	(1,713)	(834)	(530)	(612)	(222)
CHANGE IN NET ASSETS	\$88,925	\$50,172	\$57,698	\$49,179	\$43,239
Net Assets at Beginning of Year	1,226,423	1,315,348	1,365,520	1,423,218	1,472,397
NET ASSETS AT END OF YEAR	\$1,315,348	\$1,365,520	\$1,423,218	\$1,472,397	\$1,515,636

Footnotes - Unaudited

(1) Operating Revenues represent charges to customers for sales and services.

(2) Operating Expenses include cost of sales and services, administrative expenses, and depreciation on capital assets.

(3) Earnings on investments include interest earned on the bond construction funds.

Source: Comprehensive Annual Financial Reports for Fiscal Years 2007 through 2011.

CALCULATION OF HISTORIC DEBT SERVICE COVERAGE
Fiscal Years 2007 through 2011
(In Thousands)
(Unaudited)

Fiscal Year Ended June 30	System Revenues ⁽²⁾	Total Expenses ⁽³⁾⁽⁴⁾	Net System Revenue	Less: Interest Earnings on Reserve Fund ⁽⁵⁾	Adjusted Net System Revenues	Senior Obligations				All Obligations ⁽¹⁾	
						Total Debt Service	Less: Interest Earnings ⁽⁵⁾	Adjusted Debt Service	Adjusted Debt Service Coverage	Total Debt Service (Parity and Subordinated)	Aggregate Debt Service Coverage
2007	\$336,599	\$255,486	\$81,113	(\$1,346)	\$79,767	\$21,351	(\$1,346)	\$20,005	3.99	\$40,759	1.99
2008	\$350,770	\$258,813	\$91,957	(\$1,481)	\$90,476	\$21,354	(\$1,481)	\$19,873	4.55	\$43,082	2.13
2009	\$364,413	\$263,280	\$101,133	(\$2,668)	\$98,465	\$21,354	(\$2,668)	\$18,686	5.27	\$49,600	2.04
2010	\$394,948	\$287,361	\$107,587	(\$3,767)	\$103,820	\$28,303	(\$3,767)	\$24,536	4.23	\$56,978	1.89
2011	\$397,755	\$285,059	\$112,696	(\$1,436)	\$111,260	\$34,115	(\$1,436)	\$32,679	3.40	\$62,784	1.79

- (1) All Obligations include Outstanding Senior Obligations and the Outstanding Subordinated Obligations (including the 2002 Subordinated Bonds to be refunded), which includes the Senior State Revolving Fund (SRF) Loans and the Subordinated SRF Loan.
- (2) System Revenues as defined in the Installment Purchase Agreement, including operating and non-operating receipts (i.e. interest earnings, capacity charges, other income) as well as transfers and the cash-based components of capital contributions.
- (3) Amounts reflect the Maintenance and Operation costs of the Water System.
- (4) Amounts under Total Expenses reflect the Maintenance and Operations Costs of the Water System for such Fiscal Year in accordance with the Installment Purchase Agreement and generally includes maintenance and operations, administration, cost of water purchases, transfers to other funds, pension benefits, and retiree health costs.
- (5) Interest earnings on the Senior Debt Service Reserve Fund are netted out of both System Revenues and total Debt Service to calculate Senior Debt Service Coverage Ratios, but are not netted out for Aggregate Debt Service Coverage Ratios.

Source: Statistical Section (Unaudited) of Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2011.

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ESTIMATED OPERATING REVENUE AND EXPENSES
Fiscal Year 2012 through 2016
(In Thousands)
(Unaudited)

DESCRIPTION	Fiscal Year 2012 Year End Estimate ⁽¹⁾	Fiscal Year 2013 Projected	Fiscal Year 2014 Projected	Fiscal Year 2015 Projected	Fiscal Year 2016 Projected
Total Operating Revenues ⁽²⁾	\$427,344	\$428,339	\$449,109	\$462,340	\$475,961
Total Operating Expenses ⁽³⁾	\$338,074	\$365,972	\$376,892	\$377,362	\$378,292
Net Operating Revenues	\$ 89,270	\$ 62,367	\$ 72,217	\$ 84,978	\$ 97,669
Transfer (to)/from Rate Stabilization Fund	(14,800)	11,800	3,000	--	--
Interest Income on Operating Funds	3,213	3,861	3,904	6,072	7,509
Interest Income on Capital Monies	1,268	2,094	2,651	4,417	5,699
Interest Income on Debt Service Reserve Fund	1,230	1,406	1,483	2,361	2,520
Capacity Fee Proceeds	6,100	7,000	7,000	7,000	7,000
Less: Senior Debt Service Reserve Fund Interest ⁽⁴⁾	689	858	905	1,440	1,537
Total Adjusted Net System Revenues ⁽⁵⁾⁽⁶⁾	\$ 85,593	\$ 87,670	\$ 89,351	\$103,388	\$118,860
Projected Senior Debt Service	\$ 37,519	\$ 39,879	\$ 42,958	\$ 47,582	\$ 52,712
Less: Senior Debt Service Reserve Fund Interest ⁽⁴⁾	689	858	905	1,440	1,537
Adjusted Debt Service ⁽⁶⁾	\$ 36,830	\$ 39,021	\$ 42,053	\$ 46,142	\$ 51,175
Senior Debt Service Coverage ⁽⁵⁾	232%	225%	212%	224%	232%
Aggregate Debt Service Coverage					
Net Operating Revenues	\$ 89,270	\$ 62,367	\$ 72,217	\$ 84,978	\$ 97,669
Transfer (to)/from Rate Stabilization Fund	(14,800)	11,800	3,000	--	--
Interest Income on Operating Funds	3,213	3,861	3,904	6,072	7,509
Interest Income on Capital Monies	1,268	2,094	2,651	4,417	5,699
Capacity Fee Proceeds	6,100	7,000	7,000	7,000	7,000
Debt Service Reserve Fund Interest	1,230	1,406	1,483	2,361	2,520
Total Net System Revenues ⁽⁷⁾	\$ 86,281	\$ 88,528	\$ 90,255	\$104,828	\$120,397
Projected Senior Debt Service	\$ 37,519	\$ 39,879	\$ 42,958	\$ 47,582	\$ 52,712
Projected Subordinate Debt Service ⁽⁸⁾	28,672	27,225	27,030	27,031	26,655
Aggregate Debt Service ⁽⁹⁾	\$ 66,191	\$ 67,104	\$ 69,988	\$ 74,613	\$ 79,367
Aggregate Debt Service Coverage ⁽¹⁰⁾	130%	132%	129%	140%	152%

⁽¹⁾ Based on current year estimated/actual results as of December 31, 2011.

⁽²⁾ Assumes a 4% rate increase in Fiscal Year 2014 and 2% rate increase in Fiscal Years 2015 and 2016; and water usage has an annual growth projection of 1% for Fiscal Years 2012 through 2016 from actual Fiscal Year 2010 usage. Assumed rate increases subject to independent Cost of Service study, Prop 218 related rate payer majority consent, and the City Council approval.

⁽³⁾ Includes maintenance and operations, administration, cost of water purchases, pension benefits and retiree health costs. The Water System's projected share of pension payments is based on June 30, 2011 Cheiron Actuarial Valuation.

⁽⁴⁾ Includes anticipated bond issuances subsequent to Fiscal Year 2012 (\$111 million in or about Fiscal Year 2014 and \$154 million in or about Fiscal Year 2016). Does not include restricted Debt Service Reserve Fund interest earnings.

⁽⁵⁾ As defined in the Installment Purchase Agreement.

⁽⁶⁾ Figures may not add to total due to independent rounding.

⁽⁷⁾ Does not include restricted interest earnings.

⁽⁸⁾ Reflects projected debt service savings of approximately \$1.6 million per year, commencing FY 2013, from current refunding of the Subordinated Water Revenue Bonds, Series 2002 which is expected to be refunded August 1, 2012.

⁽⁹⁾ Not adjusted for Debt Service Reserve Fund earnings.

⁽¹⁰⁾ Ratio of total Net System Revenues to Aggregate Debt Service.

Source: Public Utilities Department, City of San Diego.

**WATER UTILITY FUND CASH AND CASH EQUIVALENTS (INCLUDING RESERVES)
(In Thousands)**

As of 06/30/2011

Cash and Cash Equivalents⁽¹⁾

Cash and Investments (including Reserves)	\$214,550
Restricted Cash and Investments	161,687
Less Investments Not Meeting the Definition of Cash Equivalents ⁽²⁾	<u>(154,406)</u>
Total Cash and Cash Equivalents at Year End	<u>\$221,831</u>

As of 06/30/2011

Reserves⁽³⁾

Rate Stabilization Reserve	\$20,500
Secondary Purchase Reserve	11,263
Operating Reserve	29,923
Dedicated Reserve for Efficiencies and Savings (DRES)	15,127
Capital Reserve	<u>5,000</u>
Sub- Total	\$81,813
SRF Loan Reserve ⁽⁴⁾	4,532
Debt Service Reserve Fund ⁽⁴⁾	71,628

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- (1) Source: The City's Comprehensive Annual Financial Report for Fiscal Year 2011.
 - (2) Includes Debt Service Reserve Fund and State Revolving Fund (SRF) Reserve, and other outstanding bond funds.
 - (3) Source: Public Utilities Department and Debt Management Department, City of San Diego.
 - (4) Trustee held accounts other than one subordinate SRF Loan Reserve (\$1.4 million) which is budgeted in Public Utilities.

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Labor Relations

General

The City has five labor organizations which represent classified employees. They are the Municipal Employees Association (MEA), the American Federation of State, County, and Municipal Employees Local 127 (Local 127), the Police Officers Association (POA), the International Association of Firefighters Local 145 (Local 145), and the California Teamsters Local 911 (Local 911), who represent lifeguards. A sixth labor organization, the Deputy City Attorneys' Association (DCAA), represents unclassified deputy city attorneys. Certain City employees are unclassified and unrepresented.

As of July 1, 2011, there were 718.9 regular full-time employees of the Public Utilities Department (Water Branch) of which 415.6 are represented by the MEA and 263.7 are represented by the AFSCME Local 127. The remaining 39.6 employees are unrepresented and unclassified. The two bargaining units represent approximately 94% of the Public Utilities Department (Water Branch employees).

Contracts for Fiscal Year 2010 through 2012

MEA: On April 14, 2009, the City Council approved the terms of a labor agreement with MEA for Fiscal Years 2010 and 2011. The terms included a general salary freeze and a reduction in overall compensation of approximately 6%. MEA implemented its 6% reduction principally through a 52 hour mandatory furlough and a 3% salary reduction or a waiver of the City's 3% match to the employee's mandatory SPSP contribution. On April 25, 2011, the City Council approved a one year extension that continues the 6% reduction through Fiscal Year 2012.

Local 127: On November 29, 2010, the City Council approved the terms of a labor agreement with Local 127 for Fiscal Years 2011 and 2012. The terms include the continuation of the general salary freeze and a reduction in overall salary of approximately 6% that was imposed on Local 127 in Fiscal Year 2010. Local 127 implemented its 6% reduction principally through the elimination of a 5.4% retirement offset contribution.

POA: On July 12, 2010, the City Council approved the terms of a labor agreement with POA for Fiscal Years 2011 and 2012. The terms include the continuation of the general salary freeze and a reduction in overall salary of approximately 6% that was imposed on POA in Fiscal Year 2010. POA implemented its 6% reduction principally through the elimination of a 4.1% retirement offset contribution and a 1.5% salary reduction. The terms reduce the retirement calculation factor for new hires to 3% at 55 with a proportionally reduced retirement factor of 2.5% at age 50 for all employees. Additionally, final compensation for new hires will be calculated using the highest average base salary earned over three one year periods for employees hired on or after January 1, 2012.

Local 145: On April 14, 2009, the City Council approved the terms of a labor agreement with Local 145 for Fiscal Years 2010 and 2011. The terms include a general salary freeze and a reduction in overall compensation of approximately 6%. Local 145 implemented its 6% reduction principally through the elimination of a 4.3% retirement offset contribution. On October 17, 2011, the City Council approved the terms of a labor agreement with Local 145 for Fiscal Year 2012. The terms include the continuation of the salary freeze and 6% reduction and a reduction in the retirement

calculation factor to 3% at 55 with a proportionally reduced retirement factor of 2.5% at age 50 for all new employees. Additionally, final compensation will be calculated using the highest average base salary earned over three one year periods for employees hired after January 1, 2012.

Local 911: On June 21, 2010, the City Council approved the terms of a labor agreement with Local 911 for Fiscal Year 2011. The terms continued the general salary freeze and a reduction in overall compensation of approximately 6% that was implemented in Fiscal Year 2010. Local 911 implemented its 6% reduction principally through a 52 hour mandatory furlough and a 3% reduction of the retirement offset contribution. The terms reduce the retirement calculation factor to 3% at 55 with a proportionally reduced retirement factor of 2.5% at age 50 for all new employees. Additionally, final compensation will be calculated using the highest average base salary earned over three one year periods for employees hired after June 30, 2011. The terms also eliminated the SPSP benefit for employees hired after January 1, 2011. On October 17, 2011, the City Council approved a one year extension that continues the 6% reduction through Fiscal Year 2012.

DCAA: On April 14, 2009, the City Council approved the terms of a labor agreement with the DCAA for Fiscal Years 2010 and 2011. The terms include a general salary freeze and a reduction in overall compensation of approximately 6%. DCAA implemented its 6% reduction principally through a 32 hour mandatory furlough and the elimination of a 3.2% retirement offset contribution. On October 17, 2011, the City Council approved a one year extension that continues the 6% reduction through Fiscal Year 2012.

Unrepresented: Unrepresented employees took the same general salary freeze and overall compensation reduction of approximately 6% as other employees. The 6% reduction was principally implemented through a mix of reduced or eliminated retirement offset contributions, salary reductions, or a waiver of the City's 3% match to the employee's mandatory SPSP contribution.

Retiree Health Agreements

The City has entered into a 15-year single subject memorandum of understanding with each of its labor organizations regarding reforms to the retiree healthcare benefit for health-eligible employees. The agreement, which cannot be changed until Fiscal Year 2015 at the earliest, caps the city's OPEB contribution at \$57.8 million for Fiscal Years 2012 through 2015, with annual increases of up to 2.5% after 2015.

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Investment of Funds (As of 1/31/2012)

Pool Liquidity and Other Characteristics

The City Pool (including both the “Liquidity” and the “Core” portfolios) is highly liquid. Based on unaudited month-end data as of January 31, 2012, approximately 11% of the pool investments mature within 62 days, 14% within 92 days, 24% within 184 days, 40% within 1 year, 79% within 2 years, 99% within 3 years, and 100% within 4 years (on a cumulative basis). As of January 31, 2012, the City Pool had a weighted average maturity of 1.33 years (484 days) and its weighted average yield was 0.62%. For purposes of calculating weighted average maturity, the City Treasurer treats investments in the State-wide Local Agency Investment Fund (California State Pool) as maturing within one day. The Liquidity portfolio had a duration of 0.39 years and the Core portfolio had a duration of 1.71 years as of January 31, 2012. Duration is a measure of the price volatility of the portfolio and reflects an estimate of the projected increase or decrease in the value of the portfolio based upon a decrease or increase in interest rates. Accordingly, the Liquidity portfolio should decrease in market value by 0.39% for every 1% increase in market interest rates while the Core portfolio should decrease in market value by 1.71% for every 1% increase in market interest rates. The City Pool’s composition is designed with a goal of having sufficient liquid funds available to meet disbursement requirements. The composition and value of investments under management in the City Pool will vary from time to time depending on cash flow needs of the City, maturity or sale of investments, purchase of new securities, and fluctuations in interest rates.

The following table sets forth the City Pool results at January 31, 2012.

CITY OF SAN DIEGO POOLED INVESTMENT FUND
at January 31, 2012
(in thousands)
(unaudited)

Investment Instrument	Book Value	Fair Value	Percent of Total ⁽¹⁾
U.S. Treasury Notes	\$ 1,041,332	\$ 1,047,163	45.49%
Agency Discount Notes	80,975	81,092	3.54
Agency Notes & Bonds	761,814	764,154	33.27
Commercial Paper	99,764	99,634	4.36
Corporate Notes & Bonds	147,892	147,655	6.46
Local Agency Investment Fund	49,429	49,429	2.16
Repurchase Agreement	45,023	45,023	1.96
Negotiable Certificates of Deposit	25,000	25,010	1.09
Certificates of Deposit (CDARS)	10,000	10,000	0.44
Asset Backed Securities	28,160	28,160	1.23
TOTAL INVESTMENTS	\$2,289,389	\$2,297,320	100.00%

(1) Based on book value

Source: Office of the City Treasurer, City of San Diego.

In addition, for Fiscal Year 2011 information refer to Note 3, “Cash and Investments”, in the FY 11 CAFR.

Derivatives

Since 1997, the City Pool has had no assets invested in structured notes or derivatives prohibited in California Government Code §53601. The City Treasurer defines a derivative as a financial instrument whose value is derived from an underlying asset, price, index or rate, e.g., options, futures or interest rate swaps. A structured note is an investment instrument that can contain within its structure various combinations of derivatives such as imbedded calls and interest rate swaps that will offer returns to an investor within a defined set of parameters and interest rate scenarios, e.g., step-ups, multiple-indexed notes, inverse floaters or leveraged constant maturity notes. The City Treasurer does not define fixed rate notes, debentures with call features or single index non-leveraged floating rate notes, e.g. monthly LIBOR plus or minus a spread, as structured notes. The City Treasurer limits structured notes eligible for purchase to those investments which, at the time of purchase, have no risk of principal loss if held to maturity and offer an estimated return at purchase that exceeds the return on a comparable fixed term investment in the judgment of the City's Investment Officer. The City Treasurer does not allow the purchase of securities that have a negative amortization of principal. In addition, California law prohibits the purchase by local governments of inverse floaters, range notes or interest only strips derived from pools of mortgages.

Reverse Repurchase Agreements

A reverse repo is a transaction in which the City Pool sells a security and concurrently agrees to buy it back from the same party at a later date for a price that includes an interest component for the City Pool's use of the money. Although the City is authorized to use reverse repos, since September 18, 1996, the City has had no reverse repos in the City Pool. The Investment Guidelines require that all proceeds of a reverse repo be reinvested in securities whose maturity date effectively matches the final maturity of the reverse repo. The Investment Guidelines limit the use of reverse repurchase agreements to 20% of the base value of the City Pool.

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Pension Plan

CITY OF SAN DIEGO
SCHEDULE OF FUNDING PROGRESS
Fiscal Years 2007 through 2011
(In Thousands)

Valuation Date (June 30)	Valuation Assets	AAL	Funded Ratio	UAAL
2007	\$4,413,411	\$5,597,653	78.8%	\$1,184,242
2008	\$4,660,346	\$5,963,550	78.2%	\$1,303,204
2009	\$4,175,229	\$6,281,636	66.5%	\$2,106,408
2010	\$4,382,047	\$6,527,224	67.1%	\$2,145,177
2011	\$4,739,399	\$6,917,417	68.5%	\$2,178,018

Source: Fiscal Years 2007-2011 Comprehensive Annual Financial Reports, Comptroller's Office, City of San Diego.

In addition, see Note 12 "Pension Plans" in the City's Fiscal Year 2011 CAFR.

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Water System Share of Contribution to Pension System and NPO

WATER UTILITY FUND PENSION CONTRIBUTION Fiscal Years 2008 through 2012 (In Millions)

Fiscal Year ending June 30	ARC ⁽¹⁾	Total City Pension Contribution ⁽²⁾	Department Rate Case Projection ⁽³⁾	Actual/ Budgeted /Projected ⁽²⁾
2008	\$140.1	\$166.6 ⁽⁴⁾	\$11.50	\$8.8 ⁽⁵⁾
2009	\$165.7	\$163.6 ⁽⁴⁾	\$11.50	\$6.6 ⁽⁵⁾
2010	\$155.2	\$193.9 ⁽⁴⁾	\$11.50	\$ 11.3 ⁽⁵⁾
2011	\$230.9	\$230.4 ⁽⁴⁾	\$11.50	\$14.7 ⁽⁵⁾
2012	\$231.2 ⁽⁶⁾	\$232.8 ⁽⁴⁾	N/A	\$12.3 ⁽⁵⁾

- (1) Includes core pension Annual Required Contribution (“ARC”) and Preservation of Benefits (“POB”) Plan ARC. See Note 12 in City’s Fiscal Year 2011 CAFR for more information on ARC and POB. Per IRS guidelines, the City may not pre-fund the POB Plan. Therefore, plan contributions may differ from the ARC in any given year. See footnote 4.
- (2) Fiscal Year 2008 through 2011: Audited; Fiscal Year 2012: Budgeted.
- (3) Reflects projections as of the date of the 2007 Rate Case, which covered Fiscal Years 2008 - 2011. No Rate Case is in place for Fiscal Year 2012.
- (4) Fiscal Year 2008: Includes \$137.7 million core pension contribution per SDCERS June 30, 2006 Actuarial Valuation, \$1 million POB Plan contribution, and \$27.9 million in additional voluntary contributions. Fiscal Year 2009: Includes \$161.7 million core pension contribution per SDCERS June 30, 2007 Actuarial Valuation, \$1.2 million POB Plan contribution, and \$700,000 in additional voluntary contributions. Fiscal Year 2010: Includes \$154.2 million core pension contribution per SDCERS June 30, 2008 Actuarial Valuation, \$1.4 million POB Plan contribution, and \$38.3 million in additional contributions related to the McGuigan Settlement. Fiscal Year 2011: Includes \$229.1 million core pension contribution per SDCERS June 30, 2009 Actuarial Valuation and a \$1.3 million POB Plan contribution. Fiscal Year 2012: Includes \$231.2 core pension contribution per SDCERS June 30, 2010 Actuarial Valuation and a budgeted \$1.6 million POB Plan contribution.
- (5) The Water Utility Fund’s proportionate share to fully fund the City’s pension contribution (excluding contributions for the POB Plan), was 5.3% for Fiscal Year 2008, 4.0% for Fiscal Year 2009, 5.8% for Fiscal Year 2010, and 6.4% for Fiscal Year 2011. The Department contributes to the POB Plan only if its employees receive benefits thereunder. Fiscal Year 2012 budgeted amount, assuming the Water Utility Fund’s proportionate share to fully fund the City’s pension contribution (excluding contributions for the POB Plan), is 5.3%. The Water Utility Fund’s proportionate share is established during the development of the Budget and may increase or decrease during the year and from year to year depending on a variety of factors, including the number of covered employees attributable to the Water Utility Fund, the retirement benefits accruing to such employees and end-of-the-year payroll adjustments. The Department was not required to contribute to the POB Plan in Fiscal Years 2008 or 2009; made contributions of approximately \$66,000 and \$70,000 respectively for Fiscal Years 2010 and 2011. The Department’s contribution to the POB Plan, if any, for Fiscal Year 2012 will be determined at the end of the fiscal year.
- (6) The POB Plan ARC has not been determined for FY 2012, and accordingly has not been included.

Source: Table: Fiscal Years 2008-2011 (with the exception of Rate Case Projection): Comprehensive Annual Financial Reports, Comptroller’s Office, City of San Diego.
 Fiscal Year 2008 through 2011: Rate Case Projection, Public Utilities Department, City of San Diego.
 Fiscal Year 2012: Adopted Budget, Financial Management Department, City of San Diego.
 Footnotes: Comptroller’s Office, City of San Diego, and Financial Management, City of San Diego

In addition, see Note 12 “Pension Plans” in the City’s Fiscal Year 2011 CAFR.

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Postemployment Healthcare Benefits

**WATER UTILITY FUND
RETIREE HEALTH CONTRIBUTION
Fiscal Years 2008 through 2012
(In Millions)**

Fiscal Year ending June 30	ARC	Total City Retiree Health Contribution ^{(1) (2)}	Rate Case Projection	Actual/ Budgeted/Projected ⁽³⁾
2008	\$91.6	\$53.6	\$3.7	\$3.9
2009	\$104.5	\$49.5	\$5.7	\$3.7
2010	\$113.4	\$56.7	\$6.0	\$4.7
2011	\$120.3	\$58.9	\$6.0	\$4.9
2012	\$98.5	\$57.8 ⁽⁴⁾	N/A ⁽⁵⁾	\$3.9

- (1) Fiscal Year 2008 through 2011: Audited. Fiscal Year 2012: Budgeted.
- (2) Includes pay-as-you-go expenses, contribution towards the CalPERS Employment Retirement Benefit Trust (CERBT) beginning in Fiscal Year 2008, and contributions to the Retiree Medical Trust (RMT) beginning in Fiscal Year 2010.
- (3) Consists of the Water Utility Fund's proportionate share of pay-as-you-go postemployment healthcare benefits and its proportionate share of contributions to CalPERS for OPEB. The Water Utility Fund's proportionate share of OPEB for Fiscal Year 2008 was 7.3%, Fiscal Year 2009 was 7.5%, Fiscal Year 2010 was 8.3%, and Fiscal Year 2011 was 8.3%. Fiscal Year 2012 is budgeted.
- (4) The Water Utility Fund's proportionate share may increase or decrease from year to year depending on a variety of factors, including the number of covered employees attributable to the Water Utility fund and the retirement benefits accruing to such employees.
- (5) The 2007 Rate Case covered Fiscal Years 2008 - 2011; no Rate Case in place for Fiscal Year 2012.

Source: Table: Fiscal Year 2008 through 2011 (with the exception of Rate Case Projection): Comprehensive Annual Financial Reports, Comptroller's Office, City of San Diego.
 Fiscal Year 2012: Adopted Budget, Financial Management Department, City of San Diego.
 Fiscal Year 2008 through 2011: Rate Case Projection, Public Utilities Department, City of San Diego.
 Footnotes: Comptroller's Office, City of San Diego, and Financial Management, City of San Diego

In addition, see Note 13 "Other Postemployment Benefits" in the City's Fiscal Year 2011 CAFR.

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