

COMPANHIA DE SANEAMENTO BASICO DO ESTADO DE SAO PAULO-SABESP

Form 6-K

June 25, 2009

**SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 6-K

**REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934**

For June 25, 2009

(Commission File No. 1-31317)

Companhia de Saneamento Básico do Estado de São Paulo - SABESP
(Exact name of registrant as specified in its charter)

Basic Sanitation Company of the State of Sao Paulo - SABESP
(Translation of Registrant's name into English)

**Rua Costa Carvalho, 300
São Paulo, S.P., 05429-900
Federative Republic of Brazil**
(Address of Registrant's principal executive offices)

Indicate by check mark whether the registrant files or will file
annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1).

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7).

Indicate by check mark whether the registrant by furnishing the
information contained in this Form is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under
the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicated below the file number assigned to the
registrant in connection with Rule 12g3-2(b):

COMPANHIA DE SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO SABESP

**PUBLICLY-HELD COMPANY
CORPORATE TAXPAYER S ID (CNPJ) NO. 43.776.517/0001-80**

MATERIAL FACT

Companhia de Saneamento Básico do Estado de São Paulo Sabesp (SABESP or Company), pursuant to the provisions of Instruction 358, of January 3, 2002, of the Brazilian Securities and Exchange Commission (CVM), as amended, hereby informs its shareholders and the market in general that SABESP s Board of Directors, at a meeting held on May 14, 2009, approved the third issue of Promissory notes of the Company, for public distribution, on a firm commitment and restricted efforts placement basis, pursuant to CVM Instruction 476, of January 16, 2009 (CVM Instruction 476), in the total amount of six hundred million reais (R\$600,000,000.00) (Promissory Notes and Offer).

The structuring and distribution process is being conducted through a pool of financial institutions, under the leadership of BB Banco de Investimento S.A. (BB-BI or Lead Coordinator), also having as coordinators Caixa Econômica Federal (Caixa), HSBC Corretora de Títulos e Valores Mobiliários S.A. (HSBC) and Banco Votorantim S.A. (Votorantim and, jointly with the Lead Coordinator, Caixa and HSBC, Coordinators). The Offer shall exclusively target qualified investors and be presented to the maximum of fifty (50) qualified investors; however, the Promissory Notes may only be subscribed by, at the most, twenty (20) qualified investors, as set forth in Article 3 of CVM Instruction 476.

The Promissory Notes maturity term shall be one hundred and eighty (180) days, as of its issuance date. The funds raised by the Company through the Promissory notes shall be allocated for the payment of financial obligations due in 2009.

The Promissory Notes shall be redeemed and paid with funds to be raised by the Company through the public issuance of Debentures to be made by it, and the structuring and distribution process shall be conducted by the Coordinators on a firm commitment basis.

São Paulo, May 19, 2009.

Rui de Britto Álvares Affonso
Chief Financial Officer and Investor Relations Officer

