

MEMO

TO: Board of Directors
FROM: Finance Manager
SUBJECT: INVESTMENT REPORT PERIOD ENDING AUGUST 31, 2009
DATE: September 25, 2009

RECOMMENDATION:


It is recommended that the Board of Directors review and file this report.

BACKGROUND:

At the December 15, 2004 Board of Directors Meeting your Board adopted Resolution No. 17 (05-06) which established an Investment Policy for the San Lorenzo Valley Water District. The Investment Policy and California Government Code, Section 53646, states that the Board of Directors shall receive investment reports at least quarterly.

Attached are account statements for the period ending August 31, 2009 from the District's Local Agency Investment Fund (LAIF) Account (See Attachment 1) and Morgan Stanley Investment Account (See Attachment 2).

It is recommended that the Board of Directors review and file this report.


Karen Alvarez
Finance Manager

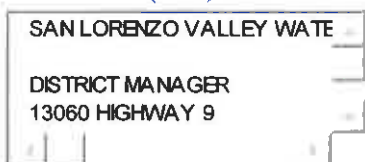
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Attachment

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

<http://www.treasurer.ca.gov/pmia-laif/index.asp>
September 24, 2009

[PMIA Average Monthly Yields](#)

Account Number: 90-44-001



Transactions

[Tran Type Definitions](#)

August 2009 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	326,389.96
Total Withdrawal:	0.00	Ending Balance:	326,389.96

Bill Lockyer, State Treasurer

Inside the State Treasurer's Office



Pooled Money Investment Account Summary of Investment Data

	Average Daily Portfolio	Effective Yield	Average Life (Month End In Days)
December 2008	\$59,947,044	2.353	223
December 2007	\$59,946,588	4.801	204
Change	\$456	-2.448	+19
January 2009	\$60,699,063	2.046	215
January 2008	\$63,086,247	4.620	197
Change	-\$2,387,184	-2.574	+18
February 2009	\$59,295,343	1.869	205
February 2008	\$65,652,081	4.161	215
Change	-\$6,356,738	-2.292	-10
March 2009	\$57,504,615	1.822	197
March 2008	\$63,771,427	3.777	205
Change	-\$6,266,812	-1.955	-8
April 2009	\$59,011,679	1.607	172
April 2008	\$65,233,836	3.400	201
Change	\$6,222,157	-1.793	-29
May 2009	\$55,514,182	1.530	186
May 2008	\$72,978,722	3.072	200
Change	-\$17,464,540	-1.542	-14
June 2009	\$48,048,110	1.377	235
June 2008	\$72,545,195	2.894	212
Change	-\$24,497,085	-1.517	+23
July 2009	\$56,319,757	1.035	188
July 2008	\$66,340,351	2.787	222
Change	-\$10,020,594	-1.752	-34

POOLED MONEY INVESTMENT ACCOUNT

SUMMARY OF INVESTMENT DATA A COMPARISON OF JULY 2009 WITH JULY 2008 (DOLLARS IN THOUSANDS)

	JULY 2009	JULY 2008	CHANGE
Average Daily Portfolio	\$ 56,319,757	\$ 66,340,351	\$ -10,020,594
Accrued Earnings	\$ 49,530	\$ 157,011	\$ -107,481
Effective Yield	1.035	2.787	-1.752
Average Life-Month End (In Days)	188	222	-34
Total Security Transactions			
Amount	\$ 27,812,203	\$ 30,037,220	\$ -2,225,017
Number	560	622	-62
Total Time Deposit Transactions			
Amount	\$ 4,422,700	\$ 6,694,700	\$ -2,272,000
Number	175	241	-66
Average Workday Investment Activity	\$ 1,401,517	\$ 1,669,633	\$ -268,116
Prescribed Demand Account Balances			
For Services	\$ 1,060,884	\$ 606,699	\$ +454,185
For Uncollected Funds	\$ 81,233	\$ 107,578	\$ -26,345
NOW Account			
Average Balance	\$ 8,828,020		\$ 8,828,020

**BILL LOCKYER
TREASURER
STATE OF CALIFORNIA**

**INVESTMENT DIVISION SELECTED INVESTMENT DATA
ANALYSIS OF THE POOLED MONEY INVESTMENT ACCOUNT PORTFOLIO
(000 OMITTED)**

<u>TYPE OF SECURITY</u>	July 31, 2009		
	<u>AMOUNT</u>	<u>PERCENT OF PORTFOLIO</u>	<u>DIFFERENCE IN PERCENT OF PORTFOLIO FROM PRIOR MONTH</u>
Government			
Bills	\$ 11,320,486	17.54	-1.03
Bonds	0	0.00	0
Notes	3,860,611	5.98	-1.84
Strips	0	0.00	0
Total Government	\$ 15,181,097	23.52	-2.87
Federal Agency Debentures	\$ 6,901,832	10.70	-3.31
Certificates of Deposit	4,785,007	7.41	-1.61
Bank Notes	0	0.00	0
Bankers' Acceptances	0	0.00	0
Repurchases	0	0.00	0
Federal Agency Discount Notes	2,443,166	3.79	-0.05
Time Deposits	5,469,700	8.47	-2.48
GNMAs	123	0.00	0
Commercial Paper	6,287,516	9.74	+5.57
FHLMC/Remics	980,191	1.52	-0.44
Corporate Bonds	303,939	0.47	-0.13
AB 55 Loans	6,145,725	9.52	-3.12
GF Loans	12,764,500	19.78	+3.95
NOW Accounts	2,982,729	4.62	+4.62
Other	300,000	0.46	-0.13
Reversed Repurchases	0	0.00	0
Total (All Types)	\$ 64,545,525	100.00	

INVESTMENT ACTIVITY

	JULY 2009		JUNE 2009	
	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
Pooled Money	560	\$ 27,812,203	422	\$ 20,885,182
Other	1	20,371	24	60,526
Time Deposits	175	4,422,700	150	3,089,000
Totals	736	\$ 32,255,274	596	\$ 24,034,708
 PMIA Monthly Average Effective Yield	 1.035		 1.377	
Year to Date Yield Last Day of Month	1.035		2.224	

Bill Lockyer, State Treasurer



Inside the State Treasurer's Office

Local Agency Investment Fund (LAIF)

October 12, 2009, (Columbus Day) banks are closed. Transactions taken on October 12 will be effective October 13, 2009.

SAVE THE DATE: LAIF ANNUAL CONFERENCE, OCTOBER 21-22, 2009

PMIA Performance Report

Date	Daily Yield	Quarter to Date Yield	Average Maturity (in days)
9/4/2009	0.80	0.97	212
9/5/2009	0.80	0.97	212
9/6/2009	0.80	0.96	212
9/7/2009	0.80	0.96	212
9/8/2009	0.80	0.96	211
9/9/2009	0.80	0.96	205
9/10/2009	0.80	0.95	207
9/11/2009	0.79	0.95	206
9/12/2009	0.79	0.95	206
9/13/2009	0.79	0.95	206
9/14/2009	0.79	0.95	201
9/15/2009	0.78	0.94	203
9/16/2009	0.78	0.94	204
9/17/2009	0.78	0.94	207

LAIF Performance Report

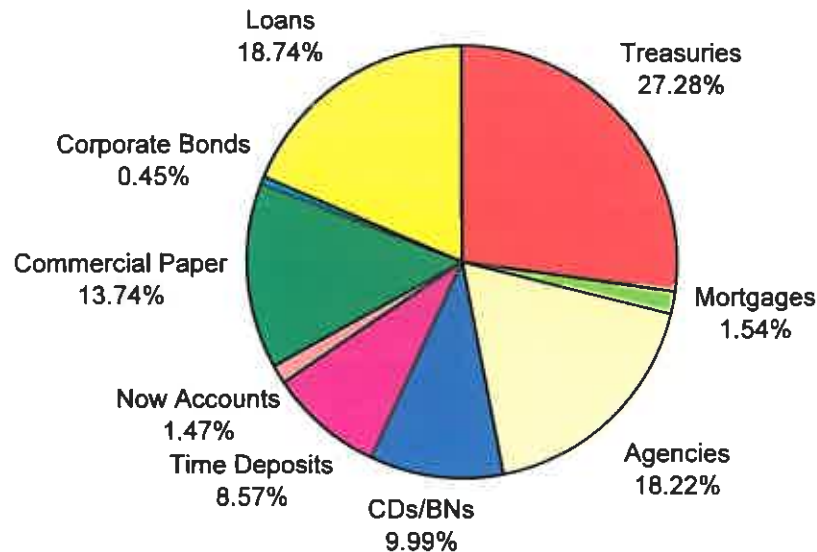
Quarter ending 6/30/2009

Apportionment Rate: 1.51%
 Earnings Ratio: .00004133177972413
 Fair Value Factor: 1.001304743

PMIA Average Monthly Effective Yields

Aug 2009 0.925%
 July 2009 1.035%
 Jun 2009 1.377%

Pooled Money Investment Account Portfolio Composition \$62.4 Billion 08/31/09



MorganStanley SmithBarney

CLIENT STATEMENT | For the Period August 1 -31, 2009

#BWNJGWM

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT
ATTENTION: JAMES A MUELLER
13060 HIGHWAY 9
BOULDER CREEK CA 95006-9119

TOTAL VALUE LAST PERIOD
(as of 7/31/09) \$9,405,173.64

NET CONTRIBUTIONS/WITHDRAWALS —

PORTFOLIO INCOME
& APPRECIATION 70,088.65

TOTAL VALUE OF YOUR ACCOUNT
(as of 8/31/09) **\$9,475,262.29**

Your Branch

6004 LA MADRONA DR
SANTA CRUZ, CA 95060-1040
Telephone: 831-440-5200
Alt. Phone: 800-488-3436
Fax: 831-440-5201

Your Financial Advisor Team
BARGETTO HANSON GROUP
831-440-5200

Access your accounts online
www.morganstanley.com/online

Investments and services offered through Morgan Stanley Smith Barney LLC, and accounts carried by Morgan Stanley & Co. Incorporated; members SIPC.

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Account Summary

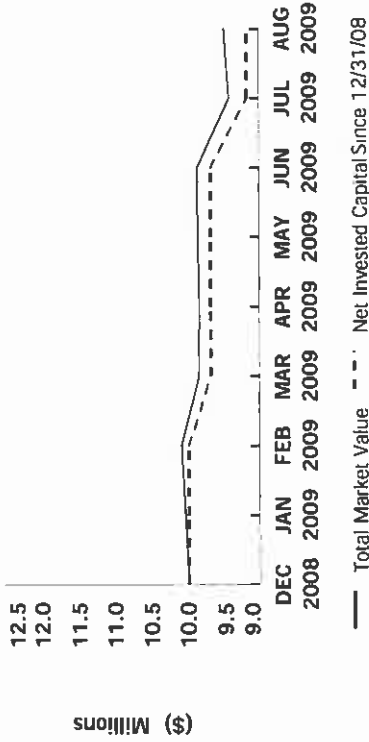
Brokerage Account
Householding Anniversary Date: 3/8/03
Investment Objectives[^]: Capital Appreciation, Income

CHANGE IN VALUE OF YOUR ACCOUNTS

	This Year (1/1/09-8/31/09)	This Period (8/1/09-8/31/09)
Total Beginning Market Value	\$9,960,565.78	\$9,405,173.64
Contributions	—	—
Withdrawals	(801,046.48)	—
Security Transfers	—	—
Net Contributions/Withdrawals	\$(801,046.48)	—
Portfolio Income	273,896.36	24,031.10
Net Portfolio Appreciation	41,846.63	46,057.55
Total Ending Market Value	\$9,475,262.29	\$9,475,262.29

CHANGE IN VALUE OVER TIME

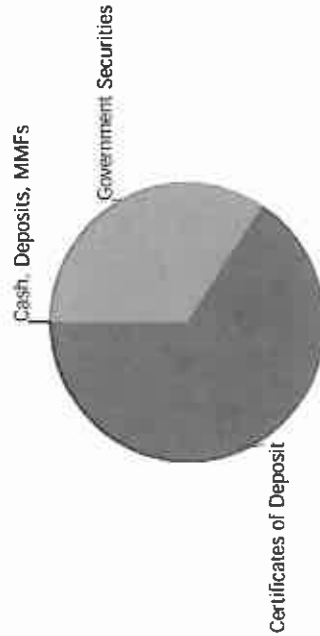
This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co. Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. ^ See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.

ALLOCATION OF HOLDINGS

	Market Value	Percentage %
Cash, Deposits, MMFs [*]	\$12,817.29	0.1
Government Securities	3,234,869.75	34.1
Certificates of Deposit	6,227,575.25	65.7
TOTAL	\$9,475,262.29	100.0%



We classify assets based on certain general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. * Eligible for FDIC insurance; FDIC rules apply. Not SIPC insured.

MorganStanley SmithBarney

CLIENT STATEMENT | For the Period August 1-31, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Summary

BALANCE SHEET

	Last Period (as of 7/31/09)	This Period (as of 8/31/09)
NET ASSET VALUE	\$9,405,173.64	\$9,475,262.29
ASSETS	\$9,405,173.64	\$9,475,262.29
Cash, Deposits, MMFs	8,786.19	12,817.29
Stocks	—	—
Municipal Bonds	—	—
Corporate Fixed Income	—	—
Government Securities	3,208,468.75	3,234,869.75
Certificates of Deposit	6,187,918.70	6,227,575.25
Mutual Funds	—	—
Unit Investment Trusts	—	—
Annuities & Insurance	—	—
Other	—	—

LIABILITIES (Outstanding Balance)

There are no liabilities for this account.

CASH FLOW

	This Year (1/1/09-8/31/09)	This Period (8/1/09-8/31/09)
OPENING CASH BALANCE	\$124,343.79	\$8,786.19
NET CREDITS/DEBITS	\$(801,046.48)	—
CREDITS	—	—
Electronic Transfers	—	—
Check Deposits	—	—
Other Credits	—	—
DEBITS	\$(801,046.48)	—
World Card	—	—
ATM/Cash Advances	—	—
Checks	—	—
Automated Payments	—	—
Electronic Transfers	(800,891.48)	—
Interest Charged	—	—
Tax Withholdings	—	—
Other Debits	(155.00)	—
NET CASH FROM INVESTMENTS	\$689,519.98	\$4,031.10
Income	273,896.36	24,031.10
Dividend Reinvestments	—	—
Purchases	(4,526,662.90)	(50,000.00)
Sales/Redemptions	4,942,286.52	30,000.00
CLOSING CASH BALANCE	\$12,817.29	\$12,817.29

Account Summary

INCOME SUMMARY

	This Year (1/1/09-8/31/09)	This Period (8/1/09-8/31/09)
TOTAL INCOME	\$273,896.36	\$24,031.10
TAXABLE INCOME	273,896.36	24,031.10
Dividends	—	—
Capital Gain Distributions	—	—
Interest	273,896.36	24,031.10
Other Income	—	—
TAX-EXEMPT INCOME	—	—
Dividends	—	—
Interest	—	—

Taxable and tax exempt income classifications are based on the characteristics of the underlying securities and not the taxable status of the account.

GAIN/(LOSS) SUMMARY

This Year (1/1/09-8/31/09)	Gain/(Loss)
NET REALIZED	\$12,405.02
Gain	12,422.54
(Loss)	(17.52)
This Period (8/1/09-8/31/09)	Gain/(Loss)
NET REALIZED	—
Gain	—
(Loss)	—
NET UNREALIZED (8/31/09)	\$207,177.54
Gain	237,706.74
(Loss)	(30,529.20)

Gain / loss and income information are provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.



Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period August 1-31, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Holdings

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement. Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate. Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
CASH	\$282.40			
MORGAN STANLEY TRUST #	12,534.89	25.00	—	0.200

	Percentage of Assets %	Market Value	Estimated Annual Income	Annual Percentage Yield %
TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS	0.1%	\$12,817.29		
			Estimated Annual Income	
			\$25.00	
			\$0.00	

Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney. Global Currency deposits are at Morgan Stanley Bank, N.A. Bank Deposits and Global Currency deposits are eligible for FDIC insurance up to applicable limits. Not SIPC insured. Global Currency Time Deposits are subject to a penalty if withdrawn prior to maturity.
Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.

GOVERNMENT SECURITIES

TREASURY SECURITIES

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
UNITED STATES TREASURY NOTE							
CUSIP 912828GG9	250,000.000	\$250,753.00 \$250,120.52	\$102.02	\$255,057.50	\$4,936.98	\$11,875.00 \$516.30	4.65
Coupon Rate 4.750%; Matures 02/15/10; Int. Semi-Annually Feb/Aug 15; Moody AAA S&P AAA; Issued 02/15/07							
UNITED STATES TREASURY NOTE							
CUSIP 912828FF8	500,000.000	500,940.25 500,363.44	107.00	\$34,980.00	34,616.56	24,375.00 6,127.04	4.55
Coupon Rate 4.875%; Matures 05/31/11; Int. Semi-Annually May/Nov 30; Yield to Maturity .839%; Moody AAA S&P AAA; Issued 05/31/06							
TOTAL TREASURY SECURITIES		\$751,693.25 \$750,483.96		\$790,037.50	\$39,553.54	\$36,250.00 \$6,643.34	4.59%

MorganStanley SmithBarney

CLIENT STATEMENT | For the Period August 1-31, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Holdings

GOVERNMENT SECURITIES FEDERAL AGENCIES

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
TENN VALLEY AUTH CUSIP 88059EGQ1 <i>Zero Coupon; Matures 11/01/13; Issued 11/03/95</i>	250,000.000	\$222,587.88 \$224,727.13	\$88.62	\$221,552.50	\$(3,174.63)	—	—
FED HOME LN MTG CORP MED TERM NOTE CUSIP 3128X8CJ9 <i>Coupon Rate 2.850%; Matures 01/02/14; Int. Semi-Annually Jan/Jul 02; Yield to Maturity 3.085%; Moody AAA S&P AAA; Issued 01/02/09</i>	800,000.000	800,010.50 800,009.77	99.05	792,392.00	(7,617.77)	22,800.00 3,736.66	2.87
FED FARM CR BK CUSIP 31331GSQ3 <i>Coupon Rate 3.250%; Matures 04/08/15; Int. Semi-Annually Apr/Oct 08; Yield to Maturity 3.447%; First Coupon 10/09/09; Moody AAA S&P AAA; Issued 04/08/09</i>	450,000.000	450,005.25 450,005.01	99.00	445,500.00	(4,505.01)	14,625.00 5,809.37	3.28
FED FARM CR BK CUSIP 31331GKW8 <i>Coupon Rate 4.000%; Matures 01/23/17; Int. Semi-Annually Jan/Jul 23; Yield to Maturity 4.273%; Moody AAA S&P AAA; Issued 01/23/09</i>	125,000.000	125,005.25 125,004.93	98.28	122,851.25	(2,153.68)	5,000.00 527.77	4.06
FED HOME LN MTG CORP MED TERM NOTE CUSIP 3128X8YNG <i>Coupon Rate 2.000%; Matures 04/29/19; Int. Semi-Annually Apr/Oct 29; Yield to Maturity 2.184%; First Coupon 10/29/09; Moody AAA S&P AAA; Issued 04/29/09</i>	650,000.000	650,005.25 650,005.19	98.40	639,606.50	(10,398.75)	13,000.00 4,405.55	2.03
FED NATL MTG ASSN STEPUP - 06/10/12 CUSIP 3136FHZF5 <i>Coupon Rate 4.000%; Matures 06/10/24; Int. Semi-Annually Jun/Dec 10; Yield to Maturity 4.113%; First Coupon 12/10/09; Moody AAA S&P AAA; Issued 06/10/09</i>	100,000.000	100,005.25 100,005.19	98.75	98,750.00	(1,255.19)	4,000.00 900.00	4.05
FED NATL MTG ASSN STEPUP - 07/22/12 CUSIP 3136FHT54 <i>Coupon Rate 4.250%; Matures 07/22/24; Int. Semi-Annually Jan/Jul 22; Yield to Maturity 4.310%; First Coupon 01/22/10; Moody AAA S&P AAA; Issued 07/22/09</i>	125,000.000	125,005.25 125,005.22	99.34	124,180.00	(825.22)	5,312.50 575.52	4.27
TOTAL FEDERAL AGENCIES		\$2,472,624.63 \$2,474,762.50		\$2,444,832.25	\$(29,930.25)	\$64,737.50 \$15,954.87	2.65%
TOTAL GOVERNMENT SECURITIES	Percentage of Assets % 34.1%	Orig. Total Cost Adj. Total Cost \$3,224,317.88 \$3,225,246.46		Market Value \$3,234,869.75	Unrealized Gain/(Loss) \$9,623.29	Estimated Annual Income Accrued Income \$100,987.50 \$22,598.21	Yield % 3.12%



Holdings

CERTIFICATES OF DEPOSIT

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
JP MORGAN (FORMER WAMU/PVN HENDERSON NEV) CD CUSIP 74407YG60 Coupon Rate 4.000%; Matures 09/15/09; Int. Semi-Annually Mar/Sep 15; Yield to Maturity .533%; Issued 09/15/04; Maturity Value = \$25,000.00	25,000.000	\$25,000.00 \$25,000.00	\$100.14	\$25,034.25	\$34.25	\$1,000.00 \$459.23	3.99
TOWER BANK & TRUST CO FT WAYNE IN CD CUSIP 89170PBT7 Coupon Rate 4.150%; Matures 02/23/10; Interest Paid Monthly Nov 23; Yield to Maturity .948%; Issued 02/23/05; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	101.53	96,450.65	1,450.65	3,942.50 84.77	4.08
FIRST BUSINESS BK MADISON WIS CD CUSIP 31938QND2 Coupon Rate 5.000%; Matures 05/07/10; Int. Semi-Annually May/Nov 07; Yield to Maturity 1.012%; Issued 05/07/07; Maturity Value = \$95,000.00	95,000.000	95,005.25 95,005.25	102.72	97,583.05	2,577.80	4,750.00 1,497.28	4.86
THE COWLITZ BANK LONGVIEW WA CD CUSIP 223768DV1 Coupon Rate 4.300%; Matures 06/30/10; Int. Semi-Annually Jun/Dec 30; Yield to Maturity 1.088%; Issued 06/30/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	102.65	97,522.25	2,522.25	4,085.00 688.23	4.18
NEW SOUTH FEDERAL SAVINGS BANK IRONDALE ALA CD CUSIP 64880T7C5 Coupon Rate 4.000%; Matures 09/13/10; Int. Semi-Annually Mar/Sep 12; Yield to Maturity 1.263%; Issued 09/12/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	102.80	97,662.85	2,662.85	3,800.00 1,776.08	3.89
JP MORGAN (FORMER WAMU HENDERSON NEV) CD CUSIP 939369CW2 Coupon Rate 4.400%; Matures 09/21/10; Int. Semi-Annually Mar/Sep 21; Yield to Maturity 1.288%; Issued 09/21/05; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	103.25	98,090.35	3,090.35	4,180.00 1,851.46	4.26
THE NATIONAL REPUBLIC BANK OF CHICAGO CHICAGO IL CD CUSIP 63736QFR7 Coupon Rate 4.900%; Matures 01/13/11; Int. Semi-Annually Jan/Jul 13; Yield to Maturity 1.592%; Issued 01/13/06; Maturity Value = \$80,000.00	80,000.000	80,000.00 80,000.00	104.45	83,564.00	3,564.00	3,920.00 521.95	4.69
ANCHORBANK, F.S.B. MADISON CD CUSIP 032841ZU5 Coupon Rate 2.300%; Matures 05/09/11; Int. Semi-Annually May/Nov 08; Yield to Maturity 1.908%; Issued 05/08/09; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	100.65	95,615.60	615.60	2,185.00 682.81	2.28

CONTINUED

Holdings

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
KEYBANK NATIONAL ASSOCIATION							
CLEVELAND OH CD	95,000.000	95,000.00	100.12	95,115.90	115.90	2,280.00	2.39
CUSIP 49306SKJ4		95,000.00				153.22	
<i>Coupon Rate 2.400%; Matures 11/07/11; Interest Paid Monthly Jul 06; Yield to Maturity 2.342%; Issued 05/06/09; Maturity Value = \$95,000.00</i>							
BAYTREE NATIONAL BANK & TRUST							
COMPANY LAKE FOREST CD	95,000.000	95,000.00	104.70	99,463.10	4,463.10	4,275.00	4.29
CUSIP 073234DF0		95,000.00				68.95	
<i>Coupon Rate 4.500%; Matures 12/27/11; Interest Paid Monthly Aug 25; Yield to Maturity 2.407%; Issued 06/25/08; Maturity Value = \$95,000.00</i>							
ATLANTIC SOUTHERN BANK MACON GA CD							
CUSIP 048874HJ3	95,000.000	95,000.00	100.35	95,334.40	334.40	2,470.00	2.59
		95,000.00				59.73	
<i>Coupon Rate 2.600%; Matures 01/23/12; Interest Paid Monthly Jul 22; Yield to Maturity 2.447%; Issued 05/22/09; Maturity Value = \$95,000.00</i>							
GREAT SOUTHERN BANK REEDS SPRING CD							
CUSIP 39120VQV9	95,000.000	95,000.00	100.70	95,667.85	667.85	2,612.50	2.73
		95,000.00				731.21	
<i>Coupon Rate 2.750%; Matures 01/20/12; Int. Semi-Annually May/Nov 20; Yield to Maturity 2.444%; Issued 05/20/09; Maturity Value = \$95,000.00</i>							
BMW BANK OF NORTH AMERICA SALT LAKE CITY UT CD							
CUSIP 05568PFX0	95,000.000	95,000.00	103.61	98,426.65	3,426.65	3,800.00	3.86
		95,000.00				1,703.80	
<i>Coupon Rate 4.000%; Matures 03/19/12; Int. Semi-Annually Mar/Sep 19; Yield to Maturity 2.530%; Issued 03/19/08; Maturity Value = \$95,000.00</i>							
CAPITAL ONE BANK (USA) N.A. GLEN ALLEN VA CD							
CUSIP 14041AK73	95,000.000	95,000.00	103.61	98,429.50	3,429.50	3,800.00	3.86
		95,000.00				1,567.75	
<i>Coupon Rate 4.000%; Matures 04/02/12; Int. Semi-Annually Apr/Oct 02; Yield to Maturity 2.549%; Issued 04/02/08; Maturity Value = \$95,000.00</i>							
MONROE BANK & TRUST MONROE MI CD							
CUSIP 610321BV2	95,000.000	95,000.00	103.38	98,212.90	3,212.90	3,705.00	3.77
		95,000.00				199.19	
<i>Coupon Rate 3.900%; Matures 04/11/12; Interest Paid Monthly Jun 11; Yield to Maturity 2.553%; Issued 04/11/08; Maturity Value = \$95,000.00</i>							
NATIONAL CITY BANK CLEVELAND OH CD							
CUSIP 635349FE8	95,000.000	95,000.00	103.61	98,429.50	3,429.50	3,800.00	3.86
		95,000.00				1,590.21	
<i>Coupon Rate 4.000%; Matures 04/02/12; Int. Semi-Annually Mar/Sep 30; Yield to Maturity 2.549%; Issued 03/31/08; Maturity Value = \$95,000.00</i>							

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MorganStanley SmithBarney

CLIENT STATEMENT | For the Period August 1-31, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Holdings

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
FRANKLIN TEMPLETON BANK & TRUS T, FSB SALT LAKE CITY UT CD CUSIP 35472QBR7	95,000.000	95,000.00 95,000.00	103.63	98,453.25	3,453.25	3,800.00 132.78	3.85
<i>Coupon Rate 4.000%; Matures 04/18/12; Interest Paid Monthly Jun 18; Yield to Maturity 2.562%; Issued 04/18/08; Maturity Value = \$95,000.00</i>							
OCEANIC BK SAN FRANCISCO CALIF CD CUSIP 67523PCA7	95,000.000	95,005.25 95,005.25	106.22	100,913.75	5,908.50	4,750.00 280.86	4.70
<i>Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 2.588%; Issued 05/09/07; Maturity Value = \$95,000.00</i>							
THE BANK OF NORTHERN MICHIGAN PETOSKEY CD CUSIP 06414TJS3	95,000.000	95,000.00 95,000.00	104.13	98,919.70	3,919.70	3,990.00 1,257.71	4.03
<i>Coupon Rate 4.200%; Matures 05/07/12; Int. Semi-Annually May/Nov 07; Yield to Maturity 2.598%; Issued 05/07/08; Maturity Value = \$95,000.00</i>							
BRANCH BANKING & TRUST COMPANY WINSTON-SALEM NC CD CUSIP 105133BE1	95,000.000	95,000.00 95,000.00	104.27	99,052.70	4,052.70	4,037.50 1,042.28	4.07
<i>Coupon Rate 4.250%; Matures 05/29/12; Int. Semi-Annually May/Nov 28; Yield to Maturity 2.627%; Issued 05/28/08; Maturity Value = \$95,000.00</i>							
GOLF SAVINGS BANK MOUNTLAKE TERRACE CD CUSIP 38167PJZ7	95,000.000	95,000.00 95,000.00	106.22	100,913.75	5,913.75	4,750.00 280.86	4.70
<i>Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 2.588%; Issued 05/09/07; Maturity Value = \$95,000.00</i>							
FRIENDSHIP ST BK IND CD CUSIP 358529AJ4	95,000.000	95,005.25 95,005.25	106.22	100,913.75	5,908.50	4,750.00 280.86	4.70
<i>Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 2.588%; Issued 05/09/07; Maturity Value = \$95,000.00</i>							
ACACIA FEDERAL SAVINGS BANK FALLS CHURCH VA CD CUSIP 003874RP1	95,000.000	95,000.00 95,000.00	104.13	98,923.50	3,923.50	3,990.00 1,160.13	4.03
<i>Coupon Rate 4.200%; Matures 05/16/12; Int. Semi-Annually May/Nov 16; Yield to Maturity 2.610%; Issued 05/16/08; Maturity Value = \$95,000.00</i>							
WESTBRIDGE BANK AND TRUST CHESTERFIELD MO CD CUSIP 957150BK3	95,000.000	95,000.00 95,000.00	104.84	99,600.85	4,600.85	4,227.50 90.90	4.24
<i>Coupon Rate 4.450%; Matures 06/25/12; Interest Paid Monthly Aug 23; Yield to Maturity 2.653%; Issued 06/23/08; Maturity Value = \$95,000.00</i>							

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Morgan Stanley Smith Barney

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Holdings

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
GE MONEY BANK SALT LAKE CITY CD CUSIP 36159UDB9	95,000.000	95,000.00 95,000.00	105.57	100,290.55	5,290.55	4,465.00 2,014.10	4.45
<i>Coupon Rate 4.700%; Matures 09/18/12; Int. Semi-Annually Mar/Sep 18; Yield to Maturity 2.781%; Issued 09/18/08; Maturity Value = \$95,000.00</i>							
FLAGSTAR BANK, FSB TROY MICH CD CUSIP 33847EB71	95,000.000	95,000.00 95,000.00	105.75	100,463.45	5,463.45	4,512.50 145.55	4.49
<i>Coupon Rate 4.750%; Matures 09/19/12; Interest Paid Monthly Nov 19; Yield to Maturity 2.770%; Issued 09/19/08; Maturity Value = \$95,000.00</i>							
JP MORGAN (FORMER WAMU FSB PARK CITY UT) CD CUSIP 939371AZ3	95,000.000	95,000.00 95,000.00	104.12	98,911.15	3,911.15	4,037.50 1,689.60	4.08
<i>Coupon Rate 4.250%; Matures 03/28/13; Int. Semi-Annually Mar/Sep 30; Yield to Maturity 3.026%; Issued 03/31/08; Maturity Value = \$95,000.00</i>							
BANK OF WHITMAN COLFAX WA CD CUSIP 065788EU1	95,000.000	95,000.00 95,000.00	100.80	95,761.90	761.90	3,087.50 1,451.46	3.22
<i>Coupon Rate 3.250%; Matures 03/11/13; Int. Semi-Annually Mar/Sep 11; Yield to Maturity 3.009%; Issued 03/11/09; Maturity Value = \$95,000.00</i>							
INVESTORS CMNTY BK MANITOWOC WIS CD CUSIP 46147UHY9	95,000.000	95,000.00 95,000.00	103.47	98,292.70	3,292.70	3,847.50 206.85	3.91
<i>Coupon Rate 4.050%; Matures 04/11/13; Interest Paid Monthly Jun 11; Yield to Maturity 3.029%; Issued 04/11/08; Maturity Value = \$95,000.00</i>							
PLANTERSFIRST CORDELE GA CD CUSIP 72748PCT5	95,000.000	95,000.00 95,000.00	103.30	98,131.20	3,131.20	3,800.00 204.28	3.87
<i>Coupon Rate 4.000%; Matures 04/11/13; Interest Paid Monthly Jun 11; Yield to Maturity 3.029%; Issued 04/11/08; Maturity Value = \$95,000.00</i>							
CIT BANK SALT LAKE CITY UT CD CUSIP 17284P4P7	95,000.000	95,000.00 95,000.00	100.74	95,702.05	702.05	3,087.50 1,223.18	3.22
<i>Coupon Rate 3.250%; Matures 04/08/13; Int. Semi-Annually Apr/Oct 08; Yield to Maturity 3.031%; Issued 04/08/09; Maturity Value = \$95,000.00</i>							
SAEHAN BANK LOS ANGELES CD CUSIP 785907AX4	95,000.000	95,000.00 95,000.00	100.20	95,188.10	188.10	2,945.00 79.15	3.09
<i>Coupon Rate 3.100%; Matures 04/22/13; Interest Paid Monthly Jun 21; Yield to Maturity 3.042%; Issued 04/21/09; Maturity Value = \$95,000.00</i>							
GOLDMAN SACHS BANK USA SALT LAKE CITY UT CD CUSIP 381426HR9	95,000.000	95,000.00 95,000.00	104.81	99,566.65	4,566.65	4,227.50 1,412.99	4.24
<i>Coupon Rate 4.450%; Matures 04/30/13; Int. Semi-Annually Apr/Oct 30; Yield to Maturity 3.052%; Issued 04/30/08; Maturity Value = \$95,000.00</i>							
ALLY BANK (FORMERLY GMAC BANK) MIDVALE UTAH CD CUSIP 36185AM54	95,000.000	95,000.00 95,000.00	100.58	95,552.90	552.90	3,040.00 1,245.90	3.18
<i>Coupon Rate 3.200%; Matures 04/03/13; Int. Semi-Annually Apr/Oct 03; Yield to Maturity 3.027%; Issued 04/03/09; Maturity Value = \$95,000.00</i>							

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Holdings

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
ADVANTA BANK CORP DRAPER UT CD CUSIP 00759TYU7 Coupon Rate 4.250%; Matures 04/02/13; Int. Semi-Annually Apr/Oct 02; Yield to Maturity 3.029%; Issued 04/02/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	104.12	98,913.05	3,913.05	4,037.50 1,665.74	4.08
WACHOVIA BANK FSB HOUSTON CD CUSIP 92979H8G0 Coupon Rate 4.250%; Matures 04/09/13; Int. Semi-Annually Apr/Oct 09; Yield to Maturity 3.035%; Issued 04/09/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	104.12	98,914.00	3,914.00	4,037.50 1,588.52	4.08
CAPMARK BANK MIDVALE UT CD CUSIP 140653VA1 Coupon Rate 4.500%; Matures 05/28/13; Int. Semi-Annually May/Nov 28; Yield to Maturity 3.076%; Issued 05/28/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	104.99	99,744.30	4,744.30	4,275.00 1,103.60	4.28
PROVIDENT BANK OF MARYLAND BALTIMORE CD CUSIP 743849FT3 Coupon Rate 4.650%; Matures 06/20/13; Int. Semi-Annually Jun/Dec 20; Yield to Maturity 3.094%; Issued 06/20/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	105.54	100,261.10	5,261.10	4,417.50 869.01	4.40
WACHOVIA BK FSB HOUSTON TEX CD CUSIP 92979HGV2 Coupon Rate 5.050%; Matures 09/12/13; Int. Semi-Annually Mar/Sep 12; Yield to Maturity 3.163%; Issued 09/12/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	107.09	101,735.50	6,735.50	4,797.50 2,242.30	4.71
CAPITAL ONE, NATIONAL ASSOCIATION MCLEAN VA CD CUSIP 14042EC24 Coupon Rate 4.950%; Matures 09/17/13; Int. Semi-Annually Mar/Sep 17; Yield to Maturity 3.166%; Issued 09/17/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	106.72	101,386.85	6,386.85	4,702.50 2,134.01	4.63
WORLD FINANCIAL NETWORK NATL BANK COLUMBUS OH CD CUSIP 981999I72 Coupon Rate 5.000%; Matures 11/26/13; Int. Semi-Annually Monthly Jan 02; Yield to Maturity 4.115%; Issued 11/26/08; Maturity Value = \$100,000.00	100,000.000	100,000.00 100,000.00	103.40	103,400.00	3,400.00	5,000.00 389.72	4.83
MORGAN STANLEY BANK N.A. SALT LAKE CITY UT CD CUSIP 61747MR89 Coupon Rate 5.050%; Matures 11/05/13; Int. Semi-Annually May/Nov 05; Yield to Maturity 3.199%; Issued 11/05/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	107.18	101,821.95	6,821.95	4,797.50 1,538.32	4.71
SALLIE MAE BANK MURRAY UT CD CUSIP 795450HC2 Coupon Rate 3.500%; Matures 01/23/14; Int. Semi-Annually Jan/Jul 23; Yield to Maturity 3.250%; Issued 01/23/09; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	101.01	95,964.25	964.25	3,325.00 352.37	3.46
BROADWAY BANK CHICAGO IL CD CUSIP 11143VTX4 Coupon Rate 3.500%; Matures 01/16/14; Interest Paid Monthly Mar 16; Yield to Maturity 3.243%; Issued 01/16/09; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	101.04	95,987.05	987.05	3,325.00 134.04	3.46

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Morgan Stanley Smith Barney

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Holdings

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
HILLCREST BANK OVERLAND PARK KS CD CUSIP 43147YVH0	95,000.000	95,000.00 95,000.00	101.03	95,976.60	976.60	3,325.00 89.36	3.46
<i>Coupon Rate 3.500%; Matures 01/21/09; Interest Paid Monthly Mar 21; Yield to Maturity 3.246%; Issued 01/21/09; Maturity Value = \$95,000.00</i>							
AMERICAN EXPRESS CENTURION BANK SALT LAKE CITY UT CD CUSIP 02586TFM1	95,000.000	95,000.00 95,000.00	100.97	95,924.35	924.35	3,325.00 180.70	3.46
<i>Coupon Rate 3.500%; Matures 02/11/09; Int. Semi-Annually Feb/Aug 11; Yield to Maturity 3.263%; Issued 02/11/09; Maturity Value = \$95,000.00</i>							
AMERICAN EXPRESS BANK, FSB SALT LAKE CITY UT CD CUSIP 02580VEY7	95,000.000	95,000.00 95,000.00	100.99	95,938.60	938.60	3,325.00 243.95	3.46
<i>Coupon Rate 3.500%; Matures 02/04/14; Int. Semi-Annually Feb/Aug 04; Yield to Maturity 3.258%; Issued 02/04/09; Maturity Value = \$95,000.00</i>							
AMCORE BANK, N.A. ROCKFORD CD CUSIP 02341VXK6	95,000.000	95,000.00 95,000.00	100.97	95,922.45	922.45	3,325.00 171.67	3.46
<i>Coupon Rate 3.500%; Matures 02/12/14; Int. Semi-Annually Feb/Aug 12; Yield to Maturity 3.263%; Issued 02/12/09; Maturity Value = \$95,000.00</i>							
TOYOTA FINANCIAL SAVINGS BANK HENDERSON CD CUSIP 89235MCM1	95,000.000	95,000.00 95,000.00	100.61	95,578.55	578.55	3,277.50 1,226.82	3.42
<i>Coupon Rate 3.450%; Matures 04/16/14; Int. Semi-Annually Apr/Oct 16; Yield to Maturity 3.306%; Issued 04/16/09; Maturity Value = \$95,000.00</i>							
THE NATIONAL BANK Moline IL CD CUSIP 634030AD2	95,000.000	95,000.00 95,000.00	99.96	94,961.05	(38.95)	3,087.50 91.28	3.25
<i>Coupon Rate 3.250%; Matures 05/20/14; Interest Paid Monthly Jul 20; Yield to Maturity 3.259%; Issued 05/20/09; Maturity Value = \$95,000.00</i>							
BARCLAYS BANK DELAWARE WILMINGTON DE CD CUSIP 06740KAY3	50,000.000	50,000.00 50,000.00	98.88	49,440.00	(560.00)	1,575.00 21.39	3.18
<i>Coupon Rate 3.150%; Matures 08/26/14; Int. Semi-Annually Feb/Aug 26; Yield to Maturity 3.396%; Issued 08/26/09; Maturity Value = \$50,000.00</i>							
DISCOVER BANK GREENWOOD DEL CD CUSIP 25469JUV9	95,000.000	95,000.00 95,000.00	107.53	102,153.50	7,153.50	4,797.50 2,177.12	4.69
<i>Coupon Rate 5.050%; Matures 09/17/14; Int. Semi-Annually Mar/Sep 17; Yield to Maturity 3.412%; Issued 09/17/08; Maturity Value = \$95,000.00</i>							
REPUBLIC BANK, INC. BOUNTIFUL UT CD CUSIP 76031ONG3	95,000.000	95,000.00 95,000.00	100.09	95,081.70	81.70	3,325.00 26.80	3.49
<i>Coupon Rate 3.500%; Matures 01/29/15; Interest Paid Monthly Mar 28; Yield to Maturity 3.482%; Issued 01/29/09; Maturity Value = \$95,000.00</i>							

CONTINUED

Holdings

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
FIRST NATIONAL BANK OF AMERICA EAST LANSING MI CD CUSIP 32110YDDB8 <i>Coupon Rate 3.700%; Matures 05/07/15; Interest Paid Monthly Jul 07; Yield to Maturity 3.535%; Issued 05/07/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	100.84	95,798.95	798.95	3,515.00 226.74	3.66
GE CAPITAL FINANCIAL INC HOLLADAY UT CD CUSIP 36160VFE6 <i>Coupon Rate 5.300%; Matures 11/06/15; Int. Semi-Annually May/Nov 06; Yield to Maturity 3.888%; Issued 11/06/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	107.68	102,300.75	7,300.75	5,035.00 1,600.80	4.92

TOTAL CERTIFICATES OF DEPOSIT

	Percentage of Assets %	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
	65.7%	\$6,030,021.00 \$6,030,021.00	\$6,227,575.25	\$197,554.25	\$244,667.50 \$51,529.08	3.93%

TOTAL ENDING MARKET VALUE

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
	100.0%	\$9,255,267.46	\$9,475,262.29	\$207,177.54	\$345,680.00 \$74,127.29	3.65%



Morgan Stanley Smith Barney

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SAN LORENZO VALLEY WATER DIST
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Activity

CASH FLOW ACTIVITY

Transaction Settlement Date	Date	Activity Type	Description	Comments	Quantity	Price	Inflows/(Outflows)
	8/2	Interest Income	WORLD JUMBO CD 5000 13NV26				\$424.66
	8/4	Interest Income	AMEX BANK FSB CD 3500 14FB04				1,648.84
	8/5	Interest Income	MERIDIAN BANK CD 2650 11SP06				213.81
	8/6	Interest Income	KEY BANK CD 2400 11NV07				193.64
	8/7	Interest Income	FIRST NATL BK CD 3700 15MY07				298.53
	8/8	Interest Income	LEADERS BANK CD 2250 11MY09				181.54
	8/9	Interest Income	FIRESIDE BANK 5300 11AU09				2,496.81
	8/9	Interest Income	LASALLE BANK CD 5150 11AU09				2,426.14
	8/9	Interest Income	OCEANIC BK CD 5000 12MY09				403.42
	8/9	Interest Income	GOLF SVGS BANK CD 5000 12MY09				403.42
	8/9	Interest Income	FRIEDNSHIP ST CD 5000 12MY09				403.42
	8/11	Interest Income	AMEX CENTURION BK 3500 14FB11				1,648.84
	8/11	Interest Income	INVESTORS CD 4050 13AP11				326.77
	8/11	Interest Income	PLANTERSFIRST CD 4000 13AP11				322.74
	8/11	Interest Income	MONROE B&T CD 3900 12AP11				314.67
	8/12	Interest Income	AMCORE BANK CD 3500 14FB12				1,648.84
	8/15	Interest Income	US TSY NOTE 4750 10FB15				5,937.50
	8/16	Interest Income	BROADWAY BANK CD 3500 14JA16				282.40
	8/17	Bought	BARCLAYS BANK CD 3150 14AU26		50,000.000	100.0000	(50,000.00)
	8/18	Interest Income	LEGENDS BANK CD 4500 11SP19				363.08
	8/18	Interest Income	FRANKLIN TEMP BK 4000 12AP18				322.74
	8/19	Interest Income	FLAGSTAR BANK CD 4750 12SP19				383.25
	8/20	Interest Income	MACATAWA BANK CD 4400 11MY20				355.01
	8/20	Interest Income	NATIONAL BANK CD 3250 14MY20				262.23
	8/21	Interest Income	HILLCREST BANK CD 3500 14JA21				282.40
	8/21	Interest Income	SAEHAN BANK CD 3100 13AP22				250.12
	8/22	Interest Income	ATLANTIC STHN CD 2600 12JA23				209.78
	8/23	Interest Income	WESTBRIDGE BK CD 4450 12JN25				359.05
	8/23	Interest Income	TOWER BANK CD 4150 10FB23				334.84
	8/24	Interest Income	NEVADA SEC BK CD 4600 09AU24				684.33
	8/24	Redemption	NEVADA SEC BK CD 4600 09AU24	REDEMPTION OF MATURED BOND	30,000.000		30,000.00
	8/25	Interest Income	BAYTREE NATL BK & 4500 11DE27				363.08
	8/28	Interest Income	MORGAN STANLEY TRUST (Period 07/31-08/28)				2.80
	8/31	Interest Income	REPUBLIC BANK CD 3500 15JA29				282.40
NET INFLOWS(OUTFLOWS)							\$4,031.10

Purchase and Sale transactions above may have received an average price execution. Details regarding the actual prices are available upon request.

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Activity

MMF AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Quantity	Price	Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments	Bank Deposit Program/ Money Market Funds
8/3	Automatic Investment	BANK DEPOSIT PROGRAM	95,000.000		\$95,000.00	\$95,000.00	\$0.00		\$633.77
8/5	Automatic Investment	BANK DEPOSIT PROGRAM	10,103.35		10,103.35	10,000.00	103.35		2,073.50
8/10	Automatic Investment	BANK DEPOSIT PROGRAM	85,000.000		85,000.00	85,000.00	0.00		705.98
8/11	Automatic Investment	BANK DEPOSIT PROGRAM	95,000.000		95,000.00	95,000.00	0.00		6,314.75
8/12	Automatic Investment	BANK DEPOSIT PROGRAM	15,889.830		15,889.83	15,890.66	(0.83)		2,613.02
8/13	Automatic Investment	BANK DEPOSIT PROGRAM	39,618.640		39,618.64	39,620.72	(2.08)		1,648.84
8/18	Automatic Investment	BANK DEPOSIT PROGRAM	5,296.610		5,296.61	5,296.89	(0.28)		6,219.90
8/20	Automatic Investment	BANK DEPOSIT PROGRAM	100,000.000		100,000.00	31,779.66	(1.67)		1,069.07
8/20	Automatic Investment	BANK DEPOSIT PROGRAM	250,000.000		250,000.00	250,000.00	0.00		1,149.76
8/24	Automatic Investment	BANK DEPOSIT PROGRAM	1,100,000.000		1,100,000.00	1,100,000.00	0.00		1,149.76
8/24	Automatic Investment	BANK DEPOSIT PROGRAM	95,000.000		95,000.00	95,000.00	0.00		(18,412.00)
8/25	Automatic Redemption	BANK DEPOSIT PROGRAM	39,618.640		39,618.64	39,620.72	(2.08)		2.80
8/28	Automatic Investment	BANK DEPOSIT PROGRAM	5,296.610		5,296.61	5,296.89	(0.28)		363.08
8/31	Automatic Investment	BANK DEPOSIT PROGRAM	100,000.000		100,000.00	31,779.66	(1.67)		\$4,382.47

NET ACTIVITY FOR PERIOD

REALIZED GAIN/(LOSS) DETAIL

Security Description	Date Acquired	Date Sold	Quantity	Price	Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
1ST SIGNATURE CD	3.300	3-03-09	02/25/04	03/03/09	95,000.000	\$95,000.00	\$0.00	
AMERICAN WEST CD	5.400	6-29-09	06/19/06	03/04/09	10,000.000	10,000.00	103.35	
CIT BANK CD	4.900	3-06-09	06/19/06	05/06/09	85,000.000	85,000.00	0.00	
FHLB	4.3/4	2-19-15	02/22/06	03/06/09	95,000.000	95,000.00	0.00	
FHLB	4.7/8	1-16-13	11/06/08	01/08/09	15,889.830	15,890.66	(0.83)	
FHLB	4.000	8-15-14	11/06/08	01/30/09	39,618.640	39,620.72	(2.08)	
FHLB	4.000	9-04-15	11/06/08	01/30/09	5,296.610	5,296.89	(0.28)	
FHLB	4.000	9-15-09	11/06/08	02/17/09	100,000.000	31,779.66	(1.67)	
FHLB	4.000	9-15-09	06/13/08	01/16/09	250,000.000	250,000.00	0.00	
FHLB	4.000	9-15-09	01/31/08	05/05/09	1,100,000.000	1,100,000.00	0.00	
FHLB	4.000	9-15-09	03/17/08	03/24/09	95,000.000	95,000.00	0.00	
FHLB	4.000	9-04-15	02/27/08	04/13/09	1,300,000.000	1,300,000.00	0.00	
FHLB	4.000	9-15-09	09/08/04	07/20/09	70,000.000	70,000.00	292.25	
FHLB	4.000	9-15-09	02/25/04	03/03/09	95,000.000	95,000.00	0.00	
FHLB	4.000	9-15-09	08/16/05	06/09/09	55,342.90	55,000.00	342.90	
FHLB	4.000	9-15-09	08/16/05	08/24/09	30,000.000	30,000.00	0.00	
FHLB	4.000	9-15-09	10/31/08	04/17/09	95,000.000	95,000.00	0.00	
FHLB	3.000	2-15-09	02/27/04	02/03/09	150,000.000	150,007.41	(12.66)	

CONTINUED



Activity

REALIZED GAIN/(LOSS) DETAIL (CONTINUED)

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
US TSY NOTE 4 3/4 2-15-10	02/27/04	02/04/09	200,000.000	200,120.55	200,008.26	112.29	
US TSY NOTE 4 7/8 5-15-09	02/13/07	07/20/09	500,000.000	511,873.25	500,301.50	11,571.75	
WEBSTER BANK CD 3.300 3-03-09	07/24/06	05/13/09	500,000.000	500,000.00	500,000.00	0.00	
	02/25/04	03/03/09	95,000.000	95,000.00	95,000.00	0.00	
Net Realized Gain/(Loss) This Period				\$30,000.00	\$30,000.00	\$0.00	
Net Realized Gain/(Loss) Year to Date				\$4,925,311.79	\$4,912,906.77	\$12,405.02	

Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

CLIENT STATEMENT | For the Period August 1-31, 2009

Messages

S&P, Morningstar to Provide Third-Party Research

Certain provisions of the Global Research Analyst Settlement, which had required Morgan Stanley Smith Barney to offer third-party research to its clients, expired on July 26, 2009. However, as a Morgan Stanley Smith Barney client, you will continue to have access to third-party research. Morgan Stanley Smith Barney has selected Standard & Poor's (S&P) and Morningstar as third-party research providers to complement the research offerings of Morgan Stanley & Co. and Citic Investment Research & Analysis.

As before, you will be able to access the research reports of S&P and Morningstar, along with Morgan Stanley and Citi research, through Research Center on ClientServ (under Markets & Research).

Please note that Morgan Stanley Smith Barney will not be listing third-party research ratings on your statements and trade confirmations. For trade statements, this change will go into effect beginning with your August statement. For trade confirmations, this change will go into effect as of July 27, 2009.

TLGP Debt: Temporary Liquidity Guarantee Program Debt

Bonds issued under the FDIC's Temporary Liquidity Guarantee Program (TLGP) are backed by the full faith and credit of the United States through the earlier of the maturity date of the debt or June 30, 2012 for securities issued prior to April 1, 2009, and the earlier of the maturity date of the debt or December 31, 2012 for securities issued on or after April 1, 2009. For more information visit www.fdic.gov/tlgp. Guarantees do not eliminate market risk.

Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch

Manager for the branch office where you maintain your account. If you require further assistance, your inquiries may also be directed to Client Service at (800) 869-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 with any account-related concerns.

Asset Classification

We classify the assets on your statement based on certain general characteristics, such as: income generation, underlying capital structure, or exposure to certain market sectors. Asset classification decisions are often influenced by marketplace conventions and are designed to be informative and provide clients with a particular, non-exclusive, view of their portfolio. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. Please contact your Financial Advisor for more information.

Important Information About Auction Rate Securities

The following message has been added to all client account statements but applies only to holders of Auction Rate Securities. Depending on your current holdings, this message may/may not be applicable to you.

Please note due to recent market conditions, certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement are derived from various sources, and may differ from prices provided to Morgan Stanley & Co. Incorporated by outside

pricing services and/or from Morgan Stanley & Co. Incorporated's own internal bookkeeping valuations. Please contact your Financial Advisor with any questions. To learn more about Auction Rate Securities, including information about the partial redemption allocations process, log on to ClientServ for more details. To enroll in ClientServ, go to www.morganstanleyclientserv.com/welcome.

Disclosure

Account Servicing

Account(s) carried with Morgan Stanley & Co. Incorporated ("Morgan Stanley"), member SIPC. New York Stock Exchange Rule 382 requires that Morgan Stanley Smith Barney LLC ("MSSB") and Morgan Stanley allocate between them certain functions regarding the administration of your brokerage account. A more complete description is available upon request.

Account Valuation

These figures represent the approximate value of your account(s) on a settlement date basis and are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and correspondent custodians for other positions, and by adding any credit or subtracting any debit to your closing cash, money market funds and/or deposit balance. Please note, this valuation may be adjusted for the net change in priced asset values for securities held or for the net change in money market balances during the settlement period. Your closing cash, money market fund and/or deposit balance represents the cash, money market funds and/or deposits and reflects the net month end balance. Global Currency Deposits are reflected in U.S. dollars as of the statement end date. The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the statement ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures>

Additional IRA Information

IRA contributions are subject to IRS eligibility rules and regulations. The "Max. Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you as an individual can make to

IRAs (Traditional, Roth, SEP, and SARSEP) under the Internal Revenue Code. The limit applies on a per person basis, not per account. The Contributions information included in this statement reflects contribution information for a particular account, without reference to any other IRA.

You cannot make an individual contribution to a Traditional IRA for the year in which you attain age 70 1/2 or any later year. You should check with your tax advisor to verify how much you can contribute and whether or not the contribution will be tax deductible.

The categorization of any amounts in this statement as Individual Deductible or Individual Non-Deductible is based upon information provided by you, and is included for your convenience. Please contact your Financial Advisor if this information is incorrect. The information included in this statement is not intended to constitute tax, legal or accounting advice.

Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC [17 CFR §240.15c3-2 & -3], Morgan Stanley may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We provide summary Morgan Stanley financial statements to you semiannually; copies are also available on request, by mail.

Certain Assets Not Held At Morgan Stanley

You may purchase certain assets through MSSB and/or Morgan Stanley that may be held at a financial institution other than Morgan Stanley. Assets not held at Morgan Stanley may not be covered by SIPC protection. We may include information about these assets on this statement, solely as a service to you and are not responsible for

information (including valuation) derived from you or another external source. Generally, any financial institution that holds securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting periods. In the case of Morgan Stanley, Van Kampen and external networked mutual funds, Morgan Stanley performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, Morgan Stanley performs all tax reporting.

Errors and Inquiries

If you do not understand an entry on this statement or suspect an error was made, it is essential that you immediately contact the manager of the MSSB office servicing your account and Morgan Stanley. You may contact Morgan Stanley at 800-869-3326 Oral communications with MSSB and/or Morgan Stanley regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). We will consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement, promptly and to seek immediate clarification about entries that you do not understand.

Gain and Loss Information

The gain and loss information is provided for informational purposes only, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax preparation. Unrealized gain and loss values are estimates and should be independently verified. We recommend that you contact your tax advisor to determine the appropriate use of this information. Past performance does not guarantee future returns.

Gain and loss information is calculated based upon uniform standards and does not account for each individual client's particular circumstances such as the existence of hedging transactions or constructive sales. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events. Contact your Financial Advisor for guidance on particular questions.

For accounts with Choice Select pricing, the commissions paid on your eligible equity and option purchases and sales are applied to the Total Cost on a quarterly basis.

With respect to estimated gains and losses for listed equity options, we have taken into account option premiums paid or received and, in respect to multiple purchases and/or sales, calculated cost using an average unit price for all like positions. We are not responsible for any gain and loss information provided by you or another financial institution; you are responsible for ensuring the accuracy of such information. Whether provided by you, another financial institution or MSSB, it is your responsibility to ensure the accuracy of all of the Estimated Gain and Loss information.

For clients wishing to make versus purchase sales that information needs to be conveyed at the time of the sale. Unless you tell us otherwise, we use first in first out (FIFO) accounting.

Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request.

Margin Interest Charges

Morgan Stanley calculates interest charges on

