

MEMO

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

RECOMMENDATION:

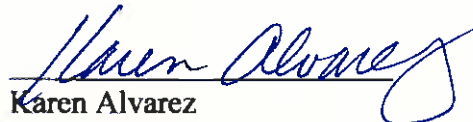
It is recommended that the Board of Directors review and file this report.

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 October 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

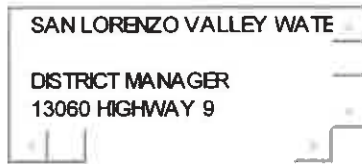
Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

<http://www.treasurer.ca.gov/pmia-laif/index.asp>

November 23, 2009

[PMIA Average Monthly Yields](#)

Account Number: 90-44-001



Transactions

October 2009 Statement

[Tran Type Definitions](#)

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/15/2009	10/14/2009	QRD	1243197	SYSTEM	566.25

Account Summary

Total Deposit:	566.25	Beginning Balance:	226,389.96
Total Withdrawal:	0.00	Ending Balance:	226,956.21

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)
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
August 2009	\$62,966,584	0.925	203
August 2008	\$65,595,666	2.779	224
Change	-\$2,629,082	-1.854	-21
September 2009	\$61,118,055	0.750	234
September 2008	\$65,286,969	2.774	214
Change	-\$4,168,914	-2.024	+20
October 2009	\$60,918,502	0.646	253
October 2008	\$61,664,368	2.709	241
Change	-\$745,866	-2.063	+12

Bill Lockyer, State Treasurer



Inside the State Treasurer's Office

Local Agency Investment Fund (LAIF)

PMIA Performance Report

Date	Daily Yield	Quarter to Date Yield	Average Maturity (in days)
10/23/2009	0.62	0.65	265
10/24/2009	0.62	0.65	265
10/25/2009	0.62	0.65	265
10/26/2009	0.62	0.65	261
10/27/2009	0.62	0.65	265
10/28/2009	0.63	0.65	272
10/29/2009	0.63	0.65	267
10/30/2009	0.63	0.65	253
10/31/2009	0.63	0.65	253
11/1/2009	0.63	0.65	253
11/2/2009	0.64	0.64	257
11/3/2009	0.64	0.64	256
11/4/2009	0.63	0.64	252
11/5/2009	0.63	0.64	254

LAIF Performance Report

Quarter ending 9/30/2009

Apportionment Rate: 0.90%
 Earnings Ratio: .00002459481708038
 Fair Value Factor: 1.001560611

PMIA Average Monthly Effective Yields

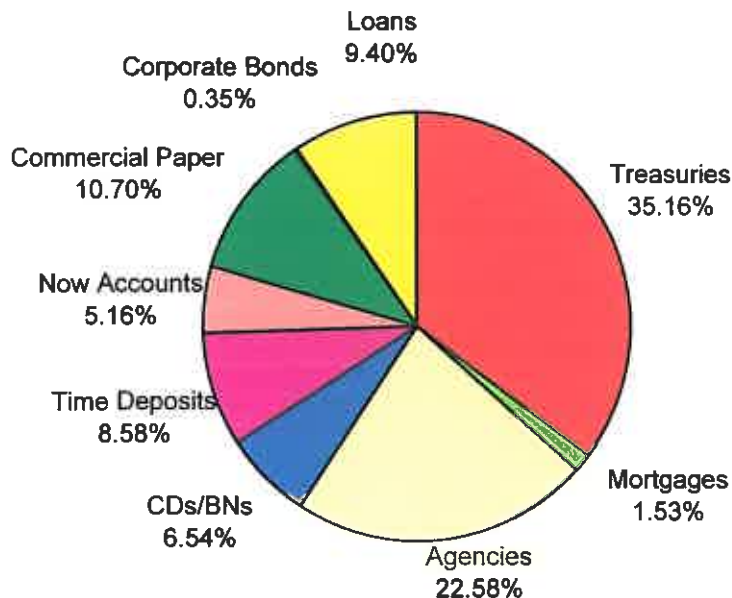
Oct 2009 0.646%
 Sept 2009 0.750%
 Aug 2009 0.925%

Pooled Money Investment Account

Portfolio Composition

\$61.9 Billion

09/30/09



POOLED MONEY INVESTMENT ACCOUNT

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

	SEPTEMBER 2009	SEPTEMBER 2008	CHANGE
Average Daily Portfolio	\$ 61,118,055	\$ 65,286,969	\$ -4,168,914
Accrued Earnings	\$ 37,700	\$ 148,862	\$ -111,162
Effective Yield	0.750 %	2.774 %	-2.024 %
Average Life-Month End (In Days)	234	214	+20
Total Security Transactions			
Amount	\$ 28,698,114	\$ 46,707,550	\$ -18,009,436
Number	585	959	-374
Total Time Deposit Transactions			
Amount	\$ 2,675,000	\$ 3,172,000	\$ -497,000
Number	115	161	-46
Average Workday Investment Activity	\$ 1,493,958	\$ 2,375,217	\$ -881,259
Prescribed Demand Account Balances			
For Services	\$ 1,045,464	\$ 774,191	\$ +271,273
For Uncollected Funds	\$ 133,703	\$ 176,283	\$ -42,580
NOW Account Average Balance	\$ 1,470,333	\$ 0	\$ +1,470,333

**BILL LOCKYER
TREASURER
STATE OF CALIFORNIA**

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

September 30, 2009

<u>TYPE OF SECURITY</u>	<u>AMOUNT</u>	<u>PERCENT OF PORTFOLIO</u>	<u>DIFFERENCE IN PERCENT OF PORTFOLIO FROM PRIOR MONTH</u>
Government			
Bills	\$ 16,433,924	26.56	+4.98
Bonds	0	0.00	0
Notes	5,322,702	8.60	+2.90
Strips	0	0.00	0
Total Government	<u>\$ 21,756,626</u>	<u>35.16</u>	<u>+7.88</u>
Federal Agency Debentures	\$ 5,348,431	8.64	-0.08
Certificates of Deposit	4,050,028	6.54	-3.45
Bank Notes	0	0.00	0
Bankers' Acceptances	0	0.00	0
Repurchases	0	0.00	0
Federal Agency Discount Notes	8,332,100	13.46	+4.44
Time Deposits	5,307,700	8.58	+0.01
GNMAs	118	0.00	0
Commercial Paper	6,620,727	10.70	-3.04
FHLMC/Remics	943,907	1.53	-0.01
Corporate Bonds	214,047	0.35	-0.10
AB 55 Loans	2,290,874	3.70	-3.38
GF Loans	3,526,000	5.70	-5.96
NOW Accounts	3,192,000	5.16	+3.69
Other	300,000	0.48	0
Reversed Repurchases	0	0.00	0
Total (All Types)	<u>\$ 61,882,558</u>	<u>100.00</u>	

INVESTMENT ACTIVITY

	SEPTEMBER 2009		AUGUST 2009	
	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
Pooled Money	585	\$ 28,698,114	586	\$ 28,886,787
Other	16	129,503	6	191,954
Time Deposits	115	<u>2,675,000</u>	102	<u>2,608,000</u>
Totals	716	\$ 31,502,617	694	\$ 31,686,741
PMIA Monthly Average Effective Yield	0.750		0.925	
Year to Date Yield Last Day of Month	0.902		0.977	

#BWNJGWM

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

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

TOTAL VALUE LAST PERIOD **\$9,520,320.40**
(as of 9/30/09)
NET CONTRIBUTIONS/WITHDRAWALS —
PORTFOLIO INCOME 39,669.19
& APPRECIATION
TOTAL VALUE OF YOUR ACCOUNT \$9,559,989.59
(as of 10/31/09)

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.

Account Summary

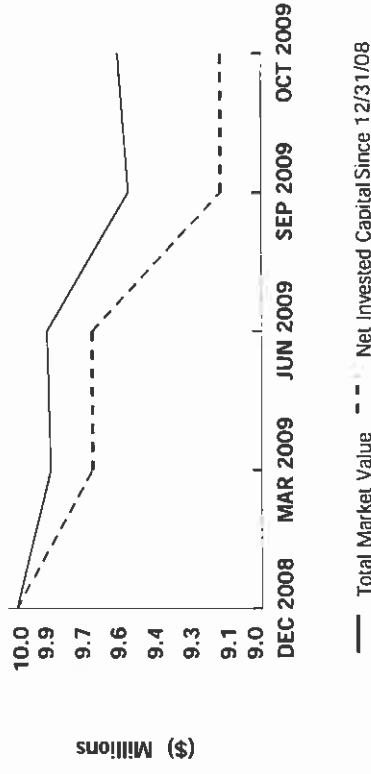
Brokerage Account
Householding Anniversary Date: 3/8/03
Investment Objectives[^]: Capital Appreciation, Income

CHANGE IN VALUE OF YOUR ACCOUNTS

	This Year (1/1/09-10/31/09)	This Period (10/1/09-10/31/09)
Total Beginning Market Value	\$9,960,565.78	\$9,520,320.40
Contributions	—	—
Withdrawals	(801,046.48)	—
Security Transfers	—	—
Net Contributions/Withdrawals	\$(801,046.48)	—
Portfolio Income	338,889.06	37,979.39
Net Portfolio Appreciation	61,581.23	1,689.80
Total Ending Market Value	\$9,559,989.59	\$9,559,989.59

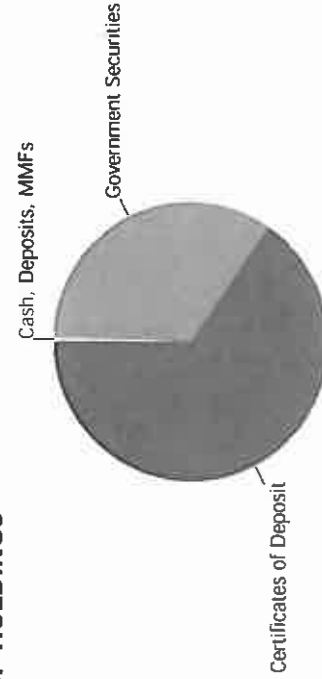
CHANGE IN VALUE OVER TIME

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*	\$57,809.99	0.6
Government Securities	3,246,975.50	34.0
Certificates of Deposit	6,255,204.10	65.4
TOTAL	\$9,559,989.59	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 October 1-31, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Summary

BALANCE SHEET

	Last Period (as of 9/30/09)	This Period (as of 10/31/09)
NET ASSET VALUE	\$9,520,320.40	\$9,559,989.59
ASSETS		
Cash, Deposits, MMFs	19,830.60	57,809.99
Stocks	—	—
Municipal Bonds	—	—
Corporate Fixed Income	—	—
Government Securities	3,244,337.75	3,246,975.50
Certificates of Deposit	6,256,152.05	6,255,204.10
Mutual Funds	—	—
Unit Investment Trusts	—	—
Annuities & Insurance	—	—
Other	—	—

LIABILITIES (Outstanding Balance)

There are no liabilities for this account.

CASH FLOW

	This Year (1/1/09-10/31/09)	This Period (10/1/09-10/31/09)
OPENING CASH BALANCE	\$124,343.79	\$19,830.60
NET CREDITS/DEBITS	\$(801,046.48)	—
CREDITS		
Electronic Transfers	—	—
Check Deposits	—	—
Other Credits	—	—
DEBITS		
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	\$734,512.68	\$37,979.39
Income	338,889.06	37,979.39
Dividend Reinvestments	—	—
Purchases	(4,571,662.90)	—
Sales/Redemptions	4,967,286.52	—
CLOSING CASH BALANCE	\$57,809.99	\$57,809.99

PERSONAL
ACCOUNTS

RETIREMENT
ACCOUNTS

EDUCATION
ACCOUNTS

TRUST
ACCOUNTS

BUSINESS
ACCOUNTS

Basic Securities Account
136-022962-062

SAN LORENZO VALLEY WATER DIST.
INVESTMENT BROKERAGE ACCT

Account Summary

INCOME SUMMARY

	This Year (11/1/09-10/31/09)	This Period (10/1/09-10/31/09)
TOTAL INCOME	\$338,889.06	\$37,979.39
TAXABLE INCOME	338,889.06	37,979.39
Dividends	—	—
Capital Gain Distributions	—	—
Interest	338,889.06	37,979.39
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

NET REALIZED	This Year (11/1/09-10/31/09)	Gain/(Loss)
Gain	12,422.54	\$12,405.02
(Loss)	—	(17.52)
NET REALIZED	12,422.54	Gain/(Loss)
Gain	—	—
(Loss)	—	—
NET UNREALIZED (10/31/09)	\$226,039.04	242,095.31
Gain	—	(16,056.27)
(Loss)	—	—

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 October 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. If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.

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	\$4,565.83			
MORGAN STANLEY TRUST #	53,244.16	106.00	—	0.200
	Percentage of Assets %	Market Value	Estimated Annual Income	Estimated Annual Income
	0.6%	\$57,809.99		Accrued Income
				\$106.00
				\$0.00

TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS

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. 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 \$250,076.49	\$101.31	\$253,282.50	\$3,206.01	\$11,875.00 \$2,484.71	4.68
<i>Coupon Rate 4.750%; Matures 02/15/10; Int. Semi-Annually Feb/Aug 15; Moody AAA S&P AAA: Issued 02/15/07</i>							
UNITED STATES TREASURY NOTE							
CUSIP 912828FH8	500,000.000	500,940.25 500,330.15	106.67	533,340.00	33,009.85	24,375.00 10,189.54	4.57
<i>Coupon Rate 4.875%; Matures 05/31/11; Int. Semi-Annually May/Nov 30; Yield to Maturity .635%; Moody AAA S&P AAA: Issued 05/31/06</i>							
TOTAL TREASURY SECURITIES		\$751,693.25 \$750,406.64		\$786,622.50	\$36,215.86	\$36,250.00 \$12,674.25	4.61%

Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period October 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 Zero Coupon; Matures 11/01/13; Issued 11/03/95	250,000,000	\$222,587.88 \$225,678.22	\$89.63	\$224,085.00	\$(1,593.22)	—	—
FED HOME LN MTG CORP MED TERM NOTE CUSIP 3128XBCJ9 Coupon Rate 2.850%; Matures 01/02/14; Int. Semi-Annually Jan/Jul 02; Yield to Maturity 2.927%; Moody AAA S&P AAA; Issued 01/02/09	800,000,000	800,010.50 800,009.41	99.70	797,576.00	(2,433.41)	22,800.00 7,536.66	2.85
FED FARM CR BK CUSIP 31331GSQ3 Coupon Rate 3.250%; Matures 04/08/15; Int. Semi-Annually Apr/Oct 08; Yield to Maturity 3.332%; Moody AAA S&P AAA; Issued 04/08/09	450,000,000	450,005.25 450,004.88	99.59	448,173.00	(1,831.88)	14,625.00 934.37	3.26
FED FARM CR BK CUSIP 31331GKWB Coupon Rate 4.000%; Matures 01/23/17; Int. Semi-Annually Jan/Jul 23; Yield to Maturity 4.141%; Moody AAA S&P AAA; Issued 01/23/09	125,000,000	125,005.25 125,004.83	99.12	123,906.25	(1,098.58)	5,000.00 1,361.11	4.03
FED HOME LN MTG CORP MED TERM NOTE STEP - 04/29/11 04.00 CUSIP 3128XBYN6 Coupon Rate 2.000%; Matures 04/29/19; Int. Semi-Annually Apr/Oct 29; Yield to Maturity 2.112%; Moody AAA S&P AAA; Issued 04/29/09	650,000,000	650,005.25 650,005.25	99.04	643,792.50	(6,212.75)	13,000.00 72.22	2.01
FED NATL MTG ASSN STEP - 06/10/12 04.50 CUSIP 3136FHFZ5 Coupon Rate 4.000%; Matures 06/10/24; Int. Semi-Annually Jun/Dec 10; Yield to Maturity 4.117%; First Coupon 12/10/09; Moody AAA S&P AAA; Issued 06/10/09	100,000,000	100,005.25 100,005.15	98.72	98,719.00	(1,286.15)	4,000.00 1,566.66	4.05
FED NATL MTG ASSN STEP - 07/22/12 04.75 CUSIP 3136FHT54 Coupon Rate 4.250%; Matures 07/22/24; Int. Semi-Annually Jan/Jul 22; Yield to Maturity 4.316%; First Coupon 01/22/10; Moody AAA S&P AAA; Issued 07/22/09	125,000,000	125,005.25 125,005.18	99.28	124,101.25	(903.93)	5,312.50 1,460.93	4.28
TOTAL FEDERAL AGENCIES		\$2,472,624.63 \$2,475,712.92		\$2,460,353.00	\$(15,359.92)	\$64,737.50 \$12,931.95	2.63%
TOTAL GOVERNMENT SECURITIES	Percentage of Assets % 34.0%	Orig. Total Cost Adj. Total Cost \$3,224,317.88 \$3,226,119.56		Market Value \$3,246,975.50	Unrealized Gain/(Loss) \$20,855.94	Estimated Annual Income Accrued Income \$100,987.50 \$25,606.20	Yield % 3.11%

Morgan Stanley Smith Barney

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

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

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 %
TOWER BANK & TRUST CO FT WAYNE IN CD	95,000.000	\$95,000.00	\$101.00	\$95,952.85	\$952.85	\$3,942.50	4.10
CUSIP 89170PBT7		\$95,000.00				\$84.77	
<i>Coupon Rate 4.150%; Matures 02/23/10; Interest Paid Monthly Nov 23; Yield to Maturity .924%; Issued 02/23/05; Maturity Value = \$95,000.00</i>							
FIRST BUSINESS BK MADISON WIS CD	95,000.000	95,005.25	102.08	96,972.20	1,966.95	4,750.00	4.89
CUSIP 31938QND2		95,005.25				2,284.64	
<i>Coupon Rate 5.000%; Matures 05/07/10; Int. Semi-Annually May/Nov 07; Yield to Maturity .978%; Issued 05/07/07; Maturity Value = \$95,000.00</i>							
THE COWLITZ BANK LONGVIEW WA CD	95,000.000	95,000.00	102.18	97,069.10	2,069.10	4,085.00	4.20
CUSIP 223768DV1		95,000.00				1,365.36	
<i>Coupon Rate 4.300%; Matures 06/30/10; Int. Semi-Annually Jun/Dec 30; Yield to Maturity 1.008%; Issued 06/30/08; Maturity Value = \$95,000.00</i>							
JP MORGAN (FORMER WAMU HENDERSON NEV) CD	95,000.000	95,000.00	102.86	97,717.00	2,717.00	4,180.00	4.27
CUSIP 939369CW2		95,000.00				461.87	
<i>Coupon Rate 4.400%; Matures 09/21/10; Int. Semi-Annually Mar/Sep 21; Yield to Maturity 1.166%; Issued 09/21/05; Maturity Value = \$95,000.00</i>							
NEW SOUTH FEDERAL SAVINGS BANK IRONDALE ALA CD	95,000.000	95,000.00	102.47	97,348.40	2,348.40	3,800.00	3.90
CUSIP 648807C5		95,000.00				514.36	
<i>Coupon Rate 4.000%; Matures 09/13/10; Int. Semi-Annually Mar/Sep 12; Yield to Maturity 1.135%; Issued 09/12/08; Maturity Value = \$95,000.00</i>							
THE NATIONAL REPUBLIC BANK OF CHICAGO CHICAGO IL CD	80,000.000	80,000.00	104.12	83,300.00	3,300.00	3,920.00	4.70
CUSIP 63736QFR7		80,000.00				1,171.73	
<i>Coupon Rate 4.900%; Matures 01/13/11; Int. Semi-Annually Jan/Jul 13; Yield to Maturity 1.421%; Issued 01/13/06; Maturity Value = \$80,000.00</i>							
EVERBANK JACKSONVILLE FLA CD	95,000.000	95,005.25	104.94	99,690.15	4,684.90	4,750.00	4.76
CUSIP 29976DKB5		95,005.25				2,258.83	
<i>Coupon Rate 5.000%; Matures 05/09/11; Int. Semi-Annually May/Nov 09; Yield to Maturity 1.702%; Issued 05/09/07; Maturity Value = \$95,000.00</i>							
THE LEADERS BANK OAK BROOK IL CD	95,000.000	95,000.00	100.86	95,816.05	816.05	2,137.50	2.23
CUSIP 52170WHE7		95,000.00				132.15	
<i>Coupon Rate 2.250%; Matures 05/09/11; Interest Paid Monthly Jul 08; Yield to Maturity 1.676%; Issued 05/08/09; Maturity Value = \$95,000.00</i>							
ANCHORBANK F.S.B. MADISON CD	95,000.000	95,000.00	100.93	95,882.55	882.55	2,185.00	2.27
CUSIP 032841ZU5		95,000.00				1,044.99	
<i>Coupon Rate 2.300%; Matures 05/09/11; Int. Semi-Annually May/Nov 08; Yield to Maturity 1.680%; Issued 05/08/09; Maturity Value = \$95,000.00</i>							

CONTINUED

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 %
MACATAWA BANK HOLLAND MICH CD CUSIP 55422QFTB Coupon Rate 4.400%; Matures 05/20/11; Interest Paid Monthly Jan 20; Yield to Maturity 1.716%; Issued 11/20/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	104.09	98,890.25	3,890.25	4,180.00 123.57	4.22
CITIZENS STATE BANK HUDSON CD CUSIP 17667PEMO Coupon Rate 2.300%; Matures 05/13/11; Int. Semi-Annually May/Nov 13; Yield to Maturity 1.692%; Issued 05/13/09; Maturity Value = \$95,000.00	95,000.000	95,000.00	100.92	95,871.15	871.15	2,185.00 1,015.31	2.27
NOVA SAVINGS BANK PHILADELPHIA PA CD CUSIP 66979TALB Coupon Rate 4.500%; Matures 06/08/11; Int. Semi-Annually Jun/Dec 08; Yield to Maturity 1.784%; Issued 06/09/05; Maturity Value = \$85,000.00	85,000.000	85,000.00	104.27	88,632.05	3,632.05	3,825.00 1,515.36	4.31
FIRESIDE BANK (FORMERLY FIRESI DE THRIFT) PLEASANTON CA CD CUSIP 318233JUB Coupon Rate 5.300%; Matures 08/09/11; Int. Semi-Annually Feb/Aug 09; Yield to Maturity 1.972%; Issued 08/09/06; Maturity Value = \$95,000.00	95,000.000	95,000.00	105.77	100,479.60	5,479.60	5,035.00 1,135.61	5.01
LASALLE BANK N.A. CHICAGO CD CUSIP 51804KST4 Coupon Rate 5.150%; Matures 08/09/11; Int. Semi-Annually Feb/Aug 09; Yield to Maturity 1.971%; Issued 08/09/06; Maturity Value = \$95,000.00	95,000.000	95,000.00	105.51	100,233.55	5,233.55	4,892.50 1,103.47	4.88
MERIDIAN BANK, NATIONAL ASSOCIATION WICKENBURG CD CUSIP 589581NX1 Coupon Rate 2.650%; Matures 09/06/11; Interest Paid Monthly May 05; Yield to Maturity 2.036%; Issued 03/05/09; Maturity Value = \$95,000.00	95,000.000	95,000.00	101.11	96,051.65	1,051.65	2,517.50 175.92	2.62
LEGENDS BANK CLARKSVILLE TENN CD CUSIP 52465JDE4 Coupon Rate 4.500%; Matures 09/19/11; Interest Paid Monthly Nov 18; Yield to Maturity 2.077%; Issued 09/18/08; Maturity Value = \$95,000.00	95,000.000	95,000.00	104.45	99,228.45	4,228.45	4,275.00 149.39	4.30
GUNNISON BANK AND TRUST COMPANY GUNNISON CO CUSIP 402843AF3 Coupon Rate 5.050%; Matures 10/31/11; Int. Semi-Annually Apr/Oct 30; Yield to Maturity 2.216%; Issued 10/31/06; Maturity Value = \$85,000.00	85,000.000	85,000.00	105.51	89,687.75	4,687.75	4,292.50 11.79	4.78
KEYBANK NATIONAL ASSOCIATION CLEVELAND OH CD CUSIP 49306SKJ4 Coupon Rate 2.400%; Matures 11/07/11; Interest Paid Monthly Jul 06; Yield to Maturity 2.210%; Issued 05/06/09; Maturity Value = \$95,000.00	95,000.000	95,000.00	100.37	95,353.40	353.40	2,280.00 153.22	2.39

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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 Accrued Income	Yield %
BAYTREE NATIONAL BANK & TRUST COMPANY LAKE FOREST CD	95,000.000	95,000.00 95,000.00	104.64	99,412.75	4,412.75	4,275.00 68.95	4.30
<i>CUSIP 073234DF0</i>							
<i>Coupon Rate 4.500%; Matures 12/27/11; Interest Paid Monthly Aug 25; Yield to Maturity 2.278%; Issued 06/25/08; Maturity Value = \$95,000.00</i>							
GREAT SOUTHERN BANK REEDS SPRING CD	95,000.000	95,000.00 95,000.00	100.94	95,892.05	892.05	2,612.50 1,164.26	2.72
<i>CUSIP 39120VQV9</i>							
<i>Coupon Rate 2.750%; Matures 01/20/12; Int. Semi-Annually May/Nov 20; Yield to Maturity 2.313%; Issued 05/20/09; Maturity Value = \$95,000.00</i>							
ATLANTIC SOUTHERN BANK MACON GA CD	95,000.000	95,000.00 95,000.00	100.61	95,583.30	583.30	2,470.00 59.73	2.58
<i>CUSIP 048874HJ3</i>							
<i>Coupon Rate 2.600%; Matures 01/23/12; Interest Paid Monthly Jul 22; Yield to Maturity 2.315%; Issued 05/22/09; Maturity Value = \$95,000.00</i>							
BMW BANK OF NORTH AMERICA SALT LAKE CITY UT CD	95,000.000	95,000.00 95,000.00	103.69	98,502.65	3,502.65	3,800.00 440.88	3.85
<i>CUSIP 05568PFX0</i>							
<i>Coupon Rate 4.000%; Matures 03/19/12; Int. Semi-Annually Mar/Sep 19; Yield to Maturity 2.399%; Issued 03/19/08; Maturity Value = \$95,000.00</i>							
NATIONAL CITY BANK CLEVELAND OH CD	95,000.000	95,000.00 95,000.00	103.69	98,510.25	3,510.25	3,800.00 325.41	3.85
<i>CUSIP 635349FEB</i>							
<i>Coupon Rate 4.000%; Matures 04/02/12; Int. Semi-Annually Mar/Sep 30; Yield to Maturity 2.419%; Issued 03/31/08; Maturity Value = \$95,000.00</i>							
FRANKLIN TEMPLETON BANK & TRUS T, FSB SALT LAKE CITY UT CD	95,000.000	95,000.00 95,000.00	103.73	98,540.65	3,540.65	3,800.00 132.78	3.85
<i>CUSIP 35472QBR7</i>							
<i>Coupon Rate 4.000%; Matures 04/18/12; Interest Paid Monthly Jun 18; Yield to Maturity 2.433%; Issued 04/18/08; Maturity Value = \$95,000.00</i>							
MONROE BANK & TRUST MONROE MI CD	95,000.000	95,000.00 95,000.00	103.49	98,311.70	3,311.70	3,705.00 199.19	3.76
<i>CUSIP 6103218V2</i>							
<i>Coupon Rate 3.900%; Matures 04/11/12; Interest Paid Monthly Jun 11; Yield to Maturity 2.423%; Issued 04/11/08; Maturity Value = \$95,000.00</i>							
CAPITAL ONE BANK (USA) N.A. GLEN ALLEN VA CD	95,000.000	95,000.00 95,000.00	103.69	98,510.25	3,510.25	3,800.00 302.74	3.85
<i>CUSIP 14041AK73</i>							
<i>Coupon Rate 4.000%; Matures 04/02/12; Int. Semi-Annually Apr/Oct 02; Yield to Maturity 2.419%; Issued 04/02/08; Maturity Value = \$95,000.00</i>							

CONTINUED

BUSINESS
ACCOUNTS

TRUST
ACCOUNTS

EDUCATION
ACCOUNTS

RETIREMENT
ACCOUNTS

PERSONAL
ACCOUNTS

Basic Securities Account
136-022962-062

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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 %
BRANCH BANKING & TRUST COMPANY							
WINSTON-SALEM NC CD	95,000.000	95,000.00	104.35	99,128.70	4,128.70	4,037.50	4.07
CUSIP 105133BE1		95,000.00				1,711.54	
<i>Coupon Rate 4.250%; Matures 05/29/12; Int. Semi-Annually May/Nov 28; Yield to Maturity 2.495%; Issued 05/28/08; Maturity Value = \$95,000.00</i>							
OCEANIC BK SAN FRANCISCO CALIF CD							
CUSIP 675223PCA7	95,000.000	95,005.25	106.18	100,867.20	5,861.95	4,750.00	4.70
		95,005.25				280.86	
<i>Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 2.460%; 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	104.21	99,000.45	4,000.45	3,990.00	4.03
		95,000.00				1,821.52	
<i>Coupon Rate 4.200%; Matures 05/16/12; Int. Semi-Annually May/Nov 16; Yield to Maturity 2.480%; Issued 05/16/08; Maturity Value = \$95,000.00</i>							
THE BANK OF NORTHERN MICHIGAN PETOSKEY CD							
CUSIP 06414TJS3	95,000.000	95,000.00	104.20	98,991.90	3,991.90	3,990.00	4.03
		95,000.00				1,919.10	
<i>Coupon Rate 4.200%; Matures 05/07/12; Int. Semi-Annually May/Nov 07; Yield to Maturity 2.465%; Issued 05/07/08; Maturity Value = \$95,000.00</i>							
FRIENDSHIP ST BK IND CD							
CUSIP 358529AJ4	95,000.000	95,005.25	106.18	100,867.20	5,861.95	4,750.00	4.70
		95,005.25				280.86	
<i>Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 2.460%; Issued 05/09/07; Maturity Value = \$95,000.00</i>							
GOLF SAVINGS BANK MOUNTLAKE TERRACE CD							
CUSIP 38167PJZ7	95,000.000	95,000.00	106.18	100,867.20	5,867.20	4,750.00	4.70
		95,000.00				280.86	
<i>Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 2.460%; Issued 05/09/07; Maturity Value = \$95,000.00</i>							
WESTBRIDGE BANK AND TRUST CHESTERFIELD MO CD							
CUSIP 95715QBK3	95,000.000	95,000.00	104.91	99,660.70	4,660.70	4,227.50	4.24
		95,000.00				90.90	
<i>Coupon Rate 4.450%; Matures 06/25/12; Interest Paid Monthly Aug 23; Yield to Maturity 2.524%; Issued 06/23/08; Maturity Value = \$95,000.00</i>							
GE MONEY BANK SALT LAKE CITY CD							
CUSIP 36159UDB9	95,000.000	95,000.00	105.65	100,366.55	5,366.55	4,465.00	4.44
		95,000.00				530.37	
<i>Coupon Rate 4.700%; Matures 09/18/12; Int. Semi-Annually Mar/Sep 18; Yield to Maturity 2.650%; Issued 09/18/08; Maturity Value = \$95,000.00</i>							

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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 %
FLAGSTAR BANK, FSB TROY MICH CD CUSIP 33847EB71	95,000.000	95,000.00 95,000.00	105.82	100,528.05	5,528.05	4,512.50 145.55	4.48
<i>Coupon Rate 4.750%; Matures 09/19/12; Interest Paid Monthly Nov 19; Yield to Maturity 2.640%; 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	104.32	99,102.10	4,102.10	4,037.50 345.75	4.07
<i>Coupon Rate 4.250%; Matures 03/28/13; Int. Semi-Annually Mar/Sep 30; Yield to Maturity 2.910%; Issued 03/31/08; Maturity Value = \$95,000.00</i>							
BANK OF WHITMAN COLFAX WA CD CUSIP 06578BEU1	95,000.000	95,000.00 95,000.00	101.17	96,110.55	1,110.55	3,087.50 426.45	3.21
<i>Coupon Rate 3.250%; Matures 03/11/13; Int. Semi-Annually Mar/Sep 11; Yield to Maturity 2.882%; Issued 03/11/09; Maturity Value = \$95,000.00</i>							
SAEHAN BANK LOS ANGELES CD CUSIP 785907AX4	95,000.000	95,000.00 95,000.00	100.53	95,504.45	504.45	2,945.00 79.15	3.08
<i>Coupon Rate 3.100%; Matures 04/22/13; Interest Paid Monthly Jun 21; Yield to Maturity 2.938%; Issued 04/21/09; Maturity Value = \$95,000.00</i>							
GOLDMAN SACHS BANK USA SALT LAKE CITY UTAH CD CUSIP 381426HR9	95,000.000	95,000.00 95,000.00	104.94	99,693.00	4,693.00	4,227.50 11.61	4.24
<i>Coupon Rate 4.450%; Matures 04/30/13; Int. Semi-Annually Apr/Oct 30; Yield to Maturity 2.953%; Issued 04/30/08; Maturity Value = \$95,000.00</i>							
CIT BANK SALT LAKE CITY UT CD CUSIP 17284P4P7	95,000.000	95,000.00 95,000.00	101.07	96,015.55	1,015.55	3,087.50 195.08	3.21
<i>Coupon Rate 3.250%; Matures 04/08/13; Int. Semi-Annually Apr/Oct 08; Yield to Maturity 2.920%; Issued 04/08/09; Maturity Value = \$95,000.00</i>							
WACHOVIA BANK FSB HOUSTON CD CUSIP 92979HBG0	95,000.000	95,000.00 95,000.00	104.30	99,089.75	4,089.75	4,037.50 244.02	4.07
<i>Coupon Rate 4.250%; Matures 04/09/13; Int. Semi-Annually Apr/Oct 09; Yield to Maturity 2.925%; Issued 04/09/08; 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	100.93	95,879.70	879.70	3,040.00 233.84	3.17
<i>Coupon Rate 3.200%; Matures 04/03/13; Int. Semi-Annually Apr/Oct 03; Yield to Maturity 2.913%; Issued 04/03/09; Maturity Value = \$95,000.00</i>							
INVESTORS CMNTY BK MANITOWOC WIS CD CUSIP 46147UHY9	95,000.000	95,000.00 95,000.00	103.68	98,493.15	3,493.15	3,847.50 206.85	3.90
<i>Coupon Rate 4.050%; Matures 04/11/13; Interest Paid Monthly Jun 11; Yield to Maturity 2.920%; 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	103.51	98,337.35	3,337.35	3,800.00 204.28	3.86
<i>Coupon Rate 4.000%; Matures 04/11/13; Interest Paid Monthly Jun 11; Yield to Maturity 2.920%; Issued 04/11/08; Maturity Value = \$95,000.00</i>							

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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 %
ADVANTA BANK CORP DRAPER UT CD CUSIP 00759TYU7 <i>Coupon Rate 4.250%; Matures 04/02/13; Int. Semi-Annually Apr/Oct 02; Yield to Maturity 2.915%; Issued 04/02/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	104.31	99,098.30	4,098.30	4,037.50 321.66	4.07
CAPMARK BANK MIDVALE UT CD CUSIP 140653VA1 <i>Coupon Rate 4.500%; Matures 05/28/13; Int. Semi-Annually May/Nov 28; Yield to Maturity 2.978%; Issued 05/28/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	105.12	99,867.80	4,867.80	4,275.00 1,812.22	4.28
PROVIDENT BANK OF MARYLAND BALTIMORE CD CUSIP 743849FT3 <i>Coupon Rate 4.650%; Matures 06/20/13; Int. Semi-Annually Jun/Dec 20; Yield to Maturity 2.997%; Issued 06/20/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	105.65	100,371.30	5,371.30	4,417.50 1,605.26	4.40
WACHOVIA BK FSB HOUSTON TEX CD CUSIP 92979HG2 <i>Coupon Rate 5.050%; Matures 09/12/13; Int. Semi-Annually Mar/Sep 12; Yield to Maturity 3.065%; Issued 09/12/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	107.18	101,819.10	6,819.10	4,797.50 649.38	4.71
CAPITAL ONE, NATIONAL ASSOCIATION MCLEAN VA CD CUSIP 14042EC24 <i>Coupon Rate 4.950%; Matures 09/17/13; Int. Semi-Annually Mar/Sep 17; Yield to Maturity 3.069%; Issued 09/17/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	106.82	101,483.75	6,483.75	4,702.50 571.57	4.63
WORLD FINANCIAL NETWORK NATL BANK COLUMBUS OH CD CUSIP 981999I72 <i>Coupon Rate 5.000%; Matures 11/26/13; Interest Paid Monthly Jan 02; Yield to Maturity 3.642%; Issued 11/26/08; Maturity Value = \$100,000.00</i>	100,000.000	100,000.00 100,000.00	105.09	105,091.00	5,091.00	5,000.00 389.72	4.75
MORGAN STANLEY BANK N.A. SALT LAKE CITY UT CD CUSIP 61747MRB9 <i>Coupon Rate 5.050%; Matures 11/05/13; Int. Semi-Annually May/Nov 05; Yield to Maturity 3.110%; Issued 11/05/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	107.26	101,901.75	6,901.75	4,797.50 2,333.56	4.70
HILLCREST BANK OVERLAND PARK KS CD CUSIP 43147YLHO <i>Coupon Rate 3.500%; Matures 01/21/14; Interest Paid Monthly Mar 21; Yield to Maturity 3.155%; Issued 01/21/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101.35	96,284.40	1,284.40	3,325.00 89.36	3.45
BROADWAY BANK CHICAGO IL CD CUSIP 11143VTX4 <i>Coupon Rate 3.500%; Matures 01/16/14; Interest Paid Monthly Mar 16; Yield to Maturity 3.151%; Issued 01/16/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101.34	96,292.95	1,292.95	3,325.00 134.04	3.45
SALLIE MAE BANK MURRAY UT CD CUSIP 795450HC2 <i>Coupon Rate 3.500%; Matures 01/23/14; Int. Semi-Annually Jan/Jul 23; Yield to Maturity 3.159%; Issued 01/23/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101.34	96,269.20	1,269.20	3,325.00 903.53	3.45

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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 Accrued Income	Yield %
AMERICAN EXPRESS BANK, FSB SALT LAKE CITY UT CD CUSIP 02580VEY7 Coupon Rate 3.500%; Matures 02/04/14; Int. Semi-Annually Feb/Aug 04; Yield to Maturity 3.167%; Issued 02/04/09; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	101.31	96,247.35	1,247.35	3,325.00 795.10	3.45
AMCORE BANK, N.A. ROCKFORD CD CUSIP 02341VXK6 Coupon Rate 3.500%; Matures 02/12/14; Int. Semi-Annually Feb/Aug 12; Yield to Maturity 3.173%; Issued 02/12/09; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	101.30	96,232.15	1,232.15	3,325.00 722.82	3.45
AMERICAN EXPRESS CENTURION BANK SALT LAKE CITY UT CD CUSIP 02586TFM1 Coupon Rate 3.500%; Matures 02/11/14; Int. Semi-Annually Feb/Aug 11; Yield to Maturity 3.172%; Issued 02/11/09; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	101.30	96,234.05	1,234.05	3,325.00 731.86	3.45
TOYOTA FINANCIAL SAVINGS BANK HENDERSON CD CUSIP 89235MCM1 Coupon Rate 3.450%; Matures 04/16/14; Int. Semi-Annually Apr/Oct 16; Yield to Maturity 3.216%; Issued 04/16/09; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	100.96	95,916.75	916.75	3,277.50 135.06	3.41
THE NATIONAL BANK MOLINE IL CD CUSIP 634030AD2 Coupon Rate 3.250%; Matures 05/20/14; Interest Paid Monthly Jul 20; Yield to Maturity 3.168%; Issued 05/20/09; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	100.34	95,327.75	327.75	3,087.50 91.28	3.23
BARCLAYS BANK DELAWARE WILMINGTON DE CD CUSIP 06740KAY3 Coupon Rate 3.150%; Matures 08/26/14; Int. Semi-Annually Feb/Aug 26; Yield to Maturity 3.305%; Issued 08/26/09; Maturity Value = \$50,000.00	50,000.000	50,000.00 50,000.00	99.31	49,656.00	(344.00)	1,575.00 282.47	3.17
DISCOVER BANK GREENWOOD DEL CD CUSIP 25469JUV9 Coupon Rate 5.050%; Matures 09/17/14; Int. Semi-Annually Mar/Sep 17; Yield to Maturity 3.324%; Issued 09/17/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	107.71	102,326.40	7,326.40	4,797.50 583.12	4.68
BARCLAYS BANK DELAWARE WILMINGTON DE CD CUSIP 06740KBQ9 Coupon Rate 3.150%; Matures 09/23/14; Int. Semi-Annually Mar/Sep 23; Yield to Maturity 3.324%; Issued 09/23/09; Maturity Value = \$45,000.00	45,000.000	45,000.00 45,000.00	99.22	44,647.65	(352.35)	1,417.50 148.79	3.17

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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 Accrued Income	Yield %
REPUBLIC BANK, INC. BOUNTIFUL UT CD CUSIP 760310MG3	95,000.000	95,000.00 95,000.00	100.48	95,456.00	456.00	3,325.00 26.80	3.48
<i>Coupon Rate 3.500%; Matures 01/29/15; Interest Paid Monthly Mar 28; Yield to Maturity 3.399%; Issued 01/29/09; Maturity Value = \$95,000.00</i>							
FIRST NATIONAL BANK OF AMERICA EAST LANSING MI CD CUSIP 32110YDB8	95,000.000	95,000.00 95,000.00	101.23	96,173.25	1,173.25	3,515.00 226.74	3.65
<i>Coupon Rate 3.700%; Matures 05/07/15; Interest Paid Monthly Jul 07; Yield to Maturity 3.452%; Issued 05/07/09; Maturity Value = \$95,000.00</i>							
GE CAPITAL FINANCIAL INC HOLLADAY UT CD CUSIP 36160VFE6	95,000.000	95,000.00 95,000.00	107.96	102,563.90	7,563.90	5,035.00 2,435.40	4.90
<i>Coupon Rate 5.300%; Matures 11/06/15; Int. Semi-Annually May/Nov 06; Yield to Maturity 3.806%; Issued 11/06/08; Maturity Value = \$95,000.00</i>							
TOTAL CERTIFICATES OF DEPOSIT		Orig. Total Cost Adj. Total Cost \$6,050,021.00 \$6,050,021.00	Percentage of Assets % 65.4%	Market Value \$6,255,204.10	Unrealized Gain/(Loss) \$205,183.10	Estimated Annual Income Accrued Income \$245,085.00 \$41,394.61	Yield % 3.92%
TOTAL ENDING MARKET VALUE		Total Cost \$9,276,140.56	Percentage of Assets % 100.0%	Market Value \$9,559,989.59	Unrealized Gain/(Loss) \$226,039.04	Estimated Annual Income Accrued Income \$346,178.50 \$67,000.81	Yield % 3.62%

Morgan Stanley Smith Barney

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

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

Activity

CASH FLOW ACTIVITY

Transaction Settlement Date	Date	Activity Type	Description	Comments	Quantity	Price	Inflows/(Outflows)
	10/1	Interest Income	NATIOANL CITY CD 4000 12AP02				\$1,905.21
	10/2	Interest Income	ADVANTA BANK CD 4250 13AP02				2,024.28
	10/2	Interest Income	CAPITAL ONE BK 4000 12AP02				1,905.21
	10/2	Interest Income	WORLD JUMBO CD 5000 13NV26				410.96
	10/3	Interest Income	ALLY BANK CD 3200 13AP03				1,524.16
	10/5	Interest Income	MERIDIAN BANK CD 2650 11SP06				206.92
	10/6	Interest Income	KEY BANK CD 2400 11NV07				187.40
	10/7	Interest Income	FIRST NATL BK CD 3700 15MY07				288.90
	10/8	Interest Income	FFCB 3250 *15AP08				7,312.50
	10/8	Interest Income	CIT BANK CD 3250 13AP08				1,547.98
	10/8	Interest Income	LEADERS BANK CD 2250 11MY09				175.68
	10/9	Interest Income	WACHOVIA BK CD 4250 13AP09				2,024.28
	10/9	Interest Income	OCEANIC BK CD 5000 12MY09				390.41
	10/9	Interest Income	GOLF SVGS BANK CD 5000 12MY09				390.41
	10/9	Interest Income	FRIEDNSHIP ST CD 5000 12MY09				390.41
	10/11	Interest Income	INVESTORS CD 4050 13AP11				316.23
	10/11	Interest Income	PLANTERSFIRST CD 4000 13AP11				312.33
	10/11	Interest Income	MONROE B&T CD 3900 12AP11				304.52
	10/16	Interest Income	TOYOTA FINL SVGS 3450 14AP16				1,643.24
	10/16	Interest Income	BROADWAY BANK CD 3500 14JA16				273.29
	10/18	Interest Income	LEGENDS BANK CD 4500 11SP19				351.37
	10/18	Interest Income	FRANKLIN TEMP BK 4000 12AP18				312.33
	10/19	Interest Income	FLAGSTAR BANK CD 4750 12SP19				370.89
	10/20	Interest Income	MACATAWA BANK CD 4400 11MY20				343.56
	10/20	Interest Income	NATIONAL BANK CD 3250 14MY20				253.77
	10/21	Interest Income	HILLCREST BANK CD 3500 14JA21				273.29
	10/21	Interest Income	SAEHAN BANK CD 3100 13AP22				242.05
	10/22	Interest Income	ATLANTIC STHN CD 2600 12JA23				203.01
	10/23	Interest Income	WESTBRIDGE BK CD 4450 12JN25				347.47
	10/23	Interest Income	TOWER BANK CD 4150 10FB23				324.04
	10/25	Interest Income	BAYTREE NATL BK & 4500 11DE27				351.37
	10/29	Interest Income	FHLMC MTN 2000 *19AP29				6,500.00
	10/29	Interest Income	MORGAN STANLEY TRUST (Period 09/30-10/29)				6.09
	10/31	Interest Income	GUNNISON BANK CD 5050 110C31				2,163.89
	10/31	Interest Income	GOLDMAN SACHS CD 4450 13AP30				2,119.54
	10/31	Interest Income	REPUBLIC BANK CD 3500 15JA29				282.40
NET INFLOWS/(OUTFLOWS)							\$37,979.39

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Activity

MMF AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Bank Deposit Program/ Money Market Funds
10/1	Automatic Investment	BANK DEPOSIT PROGRAM	\$2,297.57
10/2	Automatic Investment	BANK DEPOSIT PROGRAM	1,905.21
10/5	Automatic Investment	BANK DEPOSIT PROGRAM	4,340.45
10/6	Automatic Investment	BANK DEPOSIT PROGRAM	1,731.08
10/9	Automatic Investment	BANK DEPOSIT PROGRAM	9,512.46
10/13	Automatic Investment	BANK DEPOSIT PROGRAM	4,128.59
10/19	Automatic Investment	BANK DEPOSIT PROGRAM	1,916.53
10/20	Automatic Investment	BANK DEPOSIT PROGRAM	1,034.59
10/22	Automatic Investment	BANK DEPOSIT PROGRAM	1,112.67
10/26	Automatic Investment	BANK DEPOSIT PROGRAM	874.52
10/29	Automatic Investment	BANK DEPOSIT PROGRAM	6.09
10/30	Automatic Investment	BANK DEPOSIT PROGRAM	6,851.37
NET ACTIVITY FOR PERIOD			\$35,711.13

REALIZED GAIN/(LOSS) DETAIL

Security Description	Date Acquired	Date Sold	Quantity	Sales 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	10,103.35	10,103.35	103.35
CIT BANK CD	4.900	3-06-09	02/22/06	03/06/09	85,000.000	85,000.00	0.00
FHLB	4 3/4	2-19-15	11/06/08	01/08/09	95,000.000	95,000.00	0.00
FHLB	4 7/8	1-16-13	11/06/08	01/08/09	15,889.830	15,889.83	(0.83)
FHLB	4.000	8-15-14	11/06/08	01/21/09	39,618.640	39,620.72	(2.08)
FIRSTBANK FINL CD	1 3/4	3-19-12	11/06/08	01/30/09	5,296.610	5,296.89	(0.28)
FNMA	4.000	9-04-15	11/06/08	02/17/09	100,000.000	31,779.66	(1.67)
JPMC (WAMU NV) CD	4.000	9-15-09	06/13/08	01/16/09	250,000.000	250,000.00	0.00
JPMC (WAMU NV) CD	4.000	9-15-09	01/31/08	05/05/09	1,100,000.000	1,100,000.00	0.00
JPMC (WAMU NV) CD	4.000	9-15-09	03/11/08	03/24/09	95,000.000	95,000.00	0.00
JPMC (WAMU NV) CD	4.000	9-15-09	02/27/08	04/13/09	1,300,000.000	1,300,000.00	0.00
LEHMAN BROS CD	3 1/2	3-03-09	09/08/04	07/20/09	70,000.000	70,000.00	292.25
NEVADA SEC BK CD	4.600	8-24-09	09/08/04	09/15/09	25,000.000	25,000.00	0.00
NEW FRONTIER CD	4 3/4	11-07-12	02/25/04	03/03/09	95,000.000	95,000.00	0.00
NEW FRONTIER CD	4 3/4	11-07-12	08/16/05	06/09/09	55,000.000	55,342.90	342.90
NEW FRONTIER CD	4 3/4	11-07-12	08/16/05	08/24/09	30,000.000	30,000.00	0.00
NEW FRONTIER CD	4 3/4	11-07-12	10/31/08	04/17/09	95,000.000	95,000.00	0.00

CONTINUED

Activity

REALIZED GAIN/(LOSS) DETAIL (CONTINUED)

Security Description	Quantity	Date Acquired	Date Sold	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
US TSY NOTE 3.000 2-15-09	150,000.000	02/27/04	02/03/09	149,994.75	150,007.41	(12.66)	
	200,000.000	02/27/04	02/04/09	200,120.55	200,008.26	112.29	
US TSY NOTE 4 3/4 2-15-10	500,000.000	02/13/07	07/20/09	511,873.25	500,301.50	11,571.75	
US TSY NOTE 4 7/8 5-15-09	500,000.000	07/24/06	05/13/09	500,000.00	500,000.00	0.00	
WEBSTER BANK CD 3.300 3-03-09	95,000.000	02/25/04	03/03/09	95,000.00	95,000.00	0.00	
Net Realized Gain/(Loss) This Period				\$0.00	\$0.00	\$0.00	
Net Realized Gain/(Loss) Year to Date				\$4,950,311.79	\$4,937,906.77	\$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.

Messages

Important Notice Regarding Unlawful Internet Gambling Enforcement Act

We wish to inform you of your responsibilities under the Unlawful Internet Gambling Enforcement Act ("the Act"), which becomes effective December 1, 2009. Under the Act, neither you nor any other person who has an ownership interest in or authority over your account may use it to process or facilitate payments for restricted Internet gambling transactions. For additional information regarding your responsibilities under the Act, including the types of transactions that may be restricted or prohibited by law, please refer to: <http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20081112a1.pdf>

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 212-276-6760. 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 monthly 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 margin loans as follows:

- (1) Multiply the applicable margin interest rate by the daily close of business net settled debit balance.
 - (2) Divide by 360 (days).
- Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. Morgan Stanley adds the accrued interest to your debit balance and starts a new calculation each time the applicable interest rate changes and at the close

Disclosure (CONTINUED)

of every statement month. For current margin loan interest rates, please go to <http://www.morganstanleyindividual.com/customersevice/disclosures/#4>

Margin Privileges (not available for certain accounts such as IRAs or retirement accounts) If you have margin privileges, you may borrow money from Morgan Stanley in exchange for pledging assets in your accounts as collateral for any outstanding margin loan. The amount you may borrow is based on the value of the eligible securities in your margin accounts. If a security has eligible shares the number of shares pledged as collateral will be indicated below the position.

Money Market Pricing

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Pricing of Securities

The prices of securities displayed on this statement are derived from various sources and in some cases may be higher or lower than the price that you would actually receive in the market. Although we attempt to use reliable sources of information, we can offer no assurance as to its accuracy. For securities listed on an exchange or trading continually in an active marketplace the price reflects

the market quotations at the close of your statement period. The prices of securities not actively traded may not be available. These are indicated by N/A (not available). For securities that trade less frequently, we rely on outside pricing services and / or computerized pricing models, which cannot always give us actual market values. Some annuity values provided by outside sponsors are estimates. The amounts on this statement for limited partnerships are typically obtained from a third party or from the general partners unless we have obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values.

Furthermore some securities, such as limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts shown on this statement may not equal the amounts you would receive if you sold your investment. The value of mutual fund shares is determined by multiplying the net asset value (NAV) by the number of shares or units held, as reported to Morgan Stanley by the correspondent custodian. If we cannot obtain a price or estimate, N/A appears. Speak to your Financial Advisor to obtain current information concerning the prices on your statements.

Security Measures

This statement features several embedded security elements to safeguard its authenticity. One is a unique security mark--a blue rectangle printed in heat-sensitive ink on the back side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

SIPC Protection

Securities and cash held in your MSSB account(s) are protected by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from

a private insurer by Morgan Stanley (the Excess Coverage). SIPC protects up to \$500,000 of each client's securities, of which up to \$100,000 may be uninvested cash. SIPC and Excess Coverage apply only to securities and cash in the exclusive possession and control of Morgan Stanley and do not protect against losses due to market fluctuations. Detailed information is available upon request.

Special Considerations Regarding Structured Products

Structured products are complex products and may be subject to special risks, which may include, but are not limited to, loss of initial investment; issuer credit risk; limited or no appreciation; risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees or other fees may apply; price volatility resulting from issuer's and/or guarantor's credit quality; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; concentration risk of owning the related security; and limited or no secondary market; conflicts of interest, and limits on participation in appreciation of underlying asset(s). Structured Products may not perform in a manner consistent with the statement product category where they appear and therefore may not satisfy portfolio asset allocation needs for that category. For more information about the risks specific to your structured products, you should contact your Financial Advisor.

Taxes

Under Federal Income Tax law, Morgan Stanley is required to report the gross proceeds of sales transactions (including entering into short sales) to you on Form 1099-B by February 15 of the year following the calendar year of the transaction. The information reported on your Form 1099-B for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year.

Under U.S. Internal Revenue Service regulations, if you have not provided us with certification of either U.S. or foreign status on an appropriate Form W-9 or W-8, your accounts may be subject to either 28% back up withholding or 30% nonresident alien withholding, as applicable, on payments made to your accounts.

Total Income (This Year/This Period)

Total income as used in, the income summaries, represents dividends and/or interest on securities we receive on your behalf and credit to your account(s) during the calendar year. We report dividend distributions and taxable bond interest credited to your account to the Internal Revenue Service. The totals we report may differ from those indicated as "This Year" figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting (1099).

Transaction Dates and Transaction Conditions

All transactions list transaction date and settlement date. Transactions are included on this statement based on settlement date. In the case of unsettled trades, we list the trade based on trade date instead of the settlement date with a notation that the trade is unsettled. Unsettled trades will not be reflected in position and cash balances.

Upon written request, MSSB will furnish the date and time of a transaction and the name of the other party to a transaction.

MSSB and/or its affiliates may accept benefits that constitute payment for order flow. Details regarding these benefits and the source and amount of any other remuneration received or to be received by us in connection with any transaction will be furnished upon written request.

