

MEMO

TO: Board of Directors
FROM: District Manager
DATE: July 8, 2010
SUBJECT: REVIEW OF INVESTMENT PORTFOLIO


RECOMMENDATION:

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

BACKGROUND:

The District's Investment Consultant, Mr. Jim Bargetto from Morgan Stanley Smith Barney, will be present at the July 15, 2010 Board of Directors meeting to review and update the Board of Directors regarding the District's Morgan Stanley Smith Barney Investment Portfolio. Mr. Bargetto will make an oral presentation to your Board regarding this matter. See Attachment 1 for a copy of the District's Morgan Stanley Smith Barney Statement for the period ending June 30, 2010.

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


James Mueller
District Manager

JAM/bsb

#BWNJGWM
AT 03 012867 30623E214 A**3DGT


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

Access your accounts online

www.morganstanley.com/online

Morgan Stanley Smith Barney LLC. Member SIPC.

TOTAL VALUE LAST PERIOD <small>(as of 5/31/10)</small>	\$9,357,331.82
NET CONTRIBUTIONS/WITHDRAWALS	—
PORTFOLIO INCOME & APPRECIATION	50,891.13
TOTAL VALUE OF YOUR ACCOUNT <small>(as of 6/30/10)</small>	\$9,408,222.95

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

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SAN LORENZO VALLEY
WATER DIST

Attachment 1



CLIENT STATEMENT | For the Period June 1-30, 2010

Account Summary

Basic Securities Account
136-022962-062

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

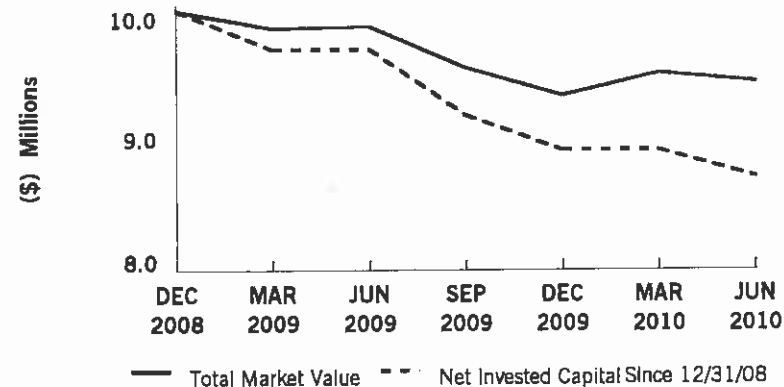
Brokerage Account
Householding Anniversary Date: 3/8/03
Investment Objectives ^: Capital Appreciation, Income

CHANGE IN VALUE OF YOUR ACCOUNTS

	This Year (1/1/10-6/30/10)	This Period (6/1/10-6/30/10)
Total Beginning Market Value	\$9,307,308.33	\$9,357,331.82
Contributions	—	—
Withdrawals	(200,000.00)	—
Security Transfers	—	—
Net Contributions/Withdrawals	\$(200,000.00)	—
Portfolio Income	153,118.86	25,456.57
Net Portfolio Appreciation	147,795.76	25,434.56
Total Ending Market Value	\$9,408,222.95	\$9,408,222.95

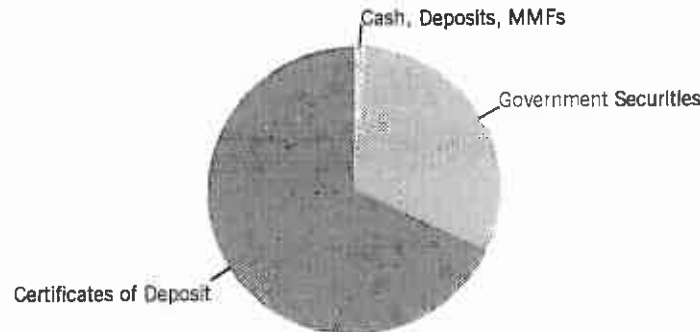
CHANGE IN VALUE OVER TIME

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 Smith Barney 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*	\$127,750.50	1.4
Government Securities	2,878,789.15	30.6
Certificates of Deposit	6,401,683.30	68.0
TOTAL	\$9,408,222.95	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. * Bank Deposits are eligible for FDIC insurance; FDIC rules apply and deposits are not SIPC insured. Cash and securities (including Money Market Funds) are eligible for SIPC coverage. Please see disclosures at end of the statement(s).



Account Summary

Basic Securities Account
136-022962-062

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

BALANCE SHEET

	Last Period (as of 5/31/10)	This Period (as of 6/30/10)
NET ASSET VALUE	\$9,357,331.82	\$9,408,222.95
ASSETS	\$9,357,331.82	\$9,408,222.95
Cash, Deposits, MMFs	50,334.02	127,750.50
Stocks	—	—
Municipal Bonds	—	—
Corporate Fixed Income	—	—
Government Securities	3,008,549.25	2,878,789.15
Certificates of Deposit	6,298,448.55	6,401,683.30
Mutual Funds	—	—
Unit Investment Trusts	—	—
Annuities & Insurance	—	—
Other	—	—

LIABILITIES (Outstanding Balance)

There are no liabilities for this account.

CASH FLOW

	This Year (1/1/10-6/30/10)	This Period (6/1/10-6/30/10)
OPENING CASH BALANCE	\$21,161.58	\$50,334.02
NET CREDITS/DEBITS	\$(200,000.00)	—
CREDITS	—	—
Electronic Transfers	—	—
Check Deposits	—	—
Other Credits	—	—
DEBITS	\$(200,000.00)	—
World Card	—	—
ATM/Cash Advances	—	—
Checks	—	—
Automated Payments	—	—
Electronic Transfers	(200,000.00)	—
Interest Charged	—	—
Tax Withholdings	—	—
Other Debits	—	—
NET CASH FROM INVESTMENTS	\$306,588.92	\$77,416.48
Income	153,118.86	25,456.57
Dividend Reinvestments	—	—
Purchases	(2,570,101.56)	(190,000.00)
Sales/Redemptions	2,723,571.62	241,959.91
CLOSING CASH BALANCE	\$127,750.50	\$127,750.50



Account Summary

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

INCOME SUMMARY

	This Year (1/1/10-6/30/10)	This Period (6/1/10-6/30/10)
TOTAL INCOME	\$155,178.15	\$25,456.57
TAXABLE INCOME	155,178.15	25,456.57
Dividends	—	—
Capital Gain Distributions	—	—
Interest	155,178.15	25,456.57
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 (1/1/10-6/30/10)	Gain/(Loss)
NET REALIZED	\$555.29
Gain	769.58
(Loss)	(214.29)
This Period (6/1/10-6/30/10)	Gain/(Loss)
NET REALIZED	\$348.78
Gain	348.78
(Loss)	—
NET UNREALIZED (6/30/10)	\$277,779.52
Gain	278,014.17
(Loss)	(234.65)

Gain / loss and income information are provided for informational purposes only and should not be used for tax preparation. Gain / loss summary information may change due to basis adjustments. Please refer to the gain / loss section of the disclosures for additional information.

ADDITIONAL ACCOUNT INFORMATION

Category	This Year (1/1/10-6/30/10)	This Period (6/1/10-6/30/10)
Accrued Interest Paid	\$80.56	—

Category	This Year (1/1/10-6/30/10)	This Period (6/1/10-6/30/10)
Accrued Interest Sold	11,375.98	—



Holdings

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INVESTMENT BROKERAGE ACCT

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.
 From January through September, realized gain/loss information will be shown only for trades settling in the current month, and/or certain adjustments (to previously closed lots) made in the current month. From October through December, in order to provide information for year-end investment planning, complete year to date realized gain/loss detail will be displayed for trades settling through the last business day of the year.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield
CASH	\$97,310.19			
MORGAN STANLEY BANK N.A. #	30,440.31	46.00	—	0.15
	Percentage of Assets %	Market Value	Estimated Annual Income	Accrued Income
TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS	1.4%	\$127,750.50	\$46.00	\$0.00

Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley Smith Barney.
 Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.

GOVERNMENT SECURITIES

FEDERAL AGENCIES

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
TENN VALLEY AUTH CUSIP 88059EGQ1	90,000.000	\$80,131.64 \$82,641.52	\$84,461.40	\$1,819.88	—	—
<i>Unit Price: \$93.846; Zero Coupon; Matures 11/01/13; Issued 11/03/95</i>						
FED HOME LN MTG CORP MED TERM NOTE STEP - 12/15/13 03.50 CUSIP 3133F4KY6	500,000.000	500,000.00 500,000.00	502,710.00	2,710.00	15,000.00 625.00	2.91
<i>Unit Price: \$100.542; Coupon Rate 3.000%; Matures 12/15/19; Int. Semi-Annually Jun/Dec 15; Yield to Maturity 2.934%; Moody AAA S&P AAA; Issued 12/10/09</i>						

CONTINUE



Holdings

Basic Securities Account
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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

GOVERNMENT SECURITIES

FEDERAL AGENCIES (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
FED NATL MTG ASSN STEP - 01/28/12 04.00 CUSIP 3136FJ2X8 <i>Unit Price: \$100.156; Coupon Rate 2.000%; Matures 01/28/20; Int. Semi-Annually Jan/Jul 28; Yield to Maturity 1.982%; First Coupon 07/28/10; Moody AAA S&P AAA; Issued 01/28/10</i>	200,000.000	200,005.25 200,005.06	200,312.00	306.94	4,000.00 1,688.88	1.99
FED NATL MTG ASSN STEP - 03/30/12 04.00 CUSIP 3136FMFW9 <i>Unit Price: \$100.844; Coupon Rate 2.000%; Matures 03/30/20; Int. Semi-Annually Mar/Sep 30; Yield to Maturity 1.905%; First Coupon 09/30/10; Moody AAA S&P AAA; Issued 03/30/10</i>	850,000.000	850,010.50 850,010.39	857,174.00	7,163.61	17,000.00 4,250.00	1.98
FED HOME LN MTG CORP MED TERM NOTE STEP - 04/15/13 04.00 CUSIP 3133F4SG7 <i>Unit Price: \$100.743; Coupon Rate 3.000%; Matures 04/15/20; Int. Semi-Annually Apr/Oct 15; Yield to Maturity 2.912%; First Coupon 10/15/10; Moody AAA S&P AAA; Issued 04/29/10</i>	550,000.000	550,000.00 550,000.00	554,086.50	4,086.50	16,500.00 2,795.83	2.97
FED HOME LN MTG CORP MED TERM NOTE STEP - 05/15/13 04.00 CUSIP 3133F4SY8 <i>Unit Price: \$101.682; Coupon Rate 3.000%; Matures 05/15/20; Int. Semi-Annually May/Nov 15; Yield to Maturity 2.804%; First Coupon 11/15/10; Moody AAA S&P AAA; Issued 05/13/10</i>	200,000.000	200,000.00 200,000.00	203,364.00	3,364.00	6,000.00 783.33	2.95
FED NATL MTG ASSN STEP - 06/10/12 04.50 CUSIP 3136FHZF5 <i>Unit Price: \$100.625; Coupon Rate 4.000%; Matures 06/10/24; Int. Semi-Annually Jun/Dec 10; Yield to Maturity 3.941%; Moody AAA S&P AAA; Issued 06/10/09</i>	100,000.000	100,005.25 100,004.96	100,625.00	620.04	4,000.00 222.22	3.97
FED NATL MTG ASSN STEP - 07/22/12 04.75 CUSIP 3136FHT54 <i>Unit Price: \$100.219; Coupon Rate 4.250%; Matures 07/22/24; Int. Semi-Annually Jan/Jul 22; Yield to Maturity 4.229%; Moody AAA S&P AAA; Issued 07/22/09</i>	125,000.000	125,005.25 125,005.02	125,273.75	268.73	5,312.50 2,331.59	4.24
FED NATL MTG ASSN STEP - 11/06/14 05.00 CUSIP 3136FJMJ7 <i>Unit Price: \$100.313; Coupon Rate 4.000%; Matures 11/06/24; Int. Semi-Annually May/Nov 06; Yield to Maturity 3.971%; Moody AAA S&P AAA; Issued 11/06/09</i>	50,000.000	50,005.25 50,005.08	50,156.50	151.42	2,000.00 300.00	3.98
FED NATL MTG ASSN STEP - 02/18/13 04.50 CUSIP 3136FJ2C4 <i>Unit Price: \$100.313; Coupon Rate 3.500%; Matures 02/18/25; Int. Semi-Annually Feb/Aug 18; Yield to Maturity 3.472%; First Coupon 08/18/10; Moody AAA S&P AAA; Issued 02/18/10</i>	200,000.000	200,005.25 200,005.15	200,626.00	620.85	7,000.00 2,566.66	3.48



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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

	Percentage of Assets %	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield
TOTAL GOVERNMENT SECURITIES	30.6%	\$2,855,168.39 \$2,857,677.18	\$2,878,789.15	\$21,111.97	\$76,812.50 \$15,563.51	2.67'

CERTIFICATES OF DEPOSIT

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield
JP MORGAN (FORMER WAMU HENDERSON NEV) CD CUSIP 939369CW2 <i>Unit Price: \$100.583; Coupon Rate 4.400%; Matures 09/21/10; Int. Semi-Annually Mar/Sep 21; Yield to Maturity 1.806%; Issued 09/21/05; Maturity Value = \$95,000.00</i>	95,000.00	\$95,000.00 \$95,000.00	\$95,553.85	\$553.85	\$4,180.00 \$1,147.22	4.3
THE NATIONAL REPUBLIC BANK OF CHICAGO CHICAGO IL CD CUSIP 63736QFR7 <i>Unit Price: \$102.236; Coupon Rate 4.900%; Matures 01/13/11; Int. Semi-Annually Jan/Jul 13; Yield to Maturity .726%; Issued 01/13/06; Maturity Value = \$80,000.00</i>	80,000.00	80,000.00 80,000.00	81,788.80	1,788.80	3,920.00 1,819.22	4.7
ANCHORBANK, F.S.B. MADISON CD CUSIP 032841ZU5 <i>Unit Price: \$101.327; Coupon Rate 2.300%; Matures 05/09/11; Int. Semi-Annually May/Nov 08; Yield to Maturity .750%; Issued 05/08/09; Maturity Value = \$95,000.00</i>	95,000.00	95,000.00 95,000.00	96,260.65	1,260.65	2,185.00 314.68	2.2
EVERBANK JACKSONVILLE FLA CD CUSIP 29976DKB5 <i>Unit Price: \$103.587; Coupon Rate 5.000%; Matures 05/09/11; Int. Semi-Annually May/Nov 09; Yield to Maturity .810%; Issued 05/09/07; Maturity Value = \$95,000.00</i>	95,000.00	95,005.25 95,005.25	98,407.65	3,402.40	4,750.00 671.19	4.8
THE LEADERS BANK OAK BROOK IL CD CUSIP 52170WHE7 <i>Unit Price: \$101.290; Coupon Rate 2.250%; Matures 05/09/11; Interest Paid Monthly Jul 08; Yield to Maturity .743%; Issued 05/08/09; Maturity Value = \$95,000.00</i>	95,000.00	95,000.00 95,000.00	96,225.50	1,225.50	2,137.50 130.62	2.2
CITIZENS STATE BANK HUDSON CD CUSIP 17667PEMO <i>Unit Price: \$101.339; Coupon Rate 2.300%; Matures 05/13/11; Int. Semi-Annually May/Nov 13; Yield to Maturity .756%; Issued 05/13/09; Maturity Value = \$95,000.00</i>	95,000.00	95,000.00 95,000.00	96,272.05	1,272.05	2,185.00 285.00	2.2
MACATAWA BANK HOLLAND MICH CD CUSIP 55422QFT8 <i>Unit Price: \$103.190; Coupon Rate 4.400%; Matures 05/20/11; Interest Paid Monthly Jan 20; Yield to Maturity .800%; Issued 11/20/08; Maturity Value = \$95,000.00</i>	95,000.00	95,000.00 95,000.00	98,030.50	3,030.50	4,180.00 116.08	4.2
NOVA SAVINGS BANK PHILADELPHIA PA CD CUSIP 66979TAL8 <i>Unit Price: \$103.431; Coupon Rate 4.500%; Matures 06/08/11; Int. Semi-Annually Jun/Dec 08; Yield to Maturity .834%; Issued 06/08/05; Maturity Value = \$85,000.00</i>	85,000.00	85,000.00 85,000.00	87,916.35	2,916.35	3,825.00 229.91	4.3

CONTINUE



Holdings

Basic Securities Account
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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
FIRESIDE BANK (FORMERLY FIRESI DE THRIFT) PLEASANTON CA CD CUSIP 318233JU8	95,000.000	95,000.00 95,000.00	99,590.40	4,590.40	5,035.00 1,961.14	5.05
<i>Unit Price: \$104.832; Coupon Rate 5.300%; Matures 08/09/11; Int. Semi-Annually Feb/Aug 09; Yield to Maturity .911%; Issued 08/09/06; Maturity Value = \$95,000.00</i>						
LASALLE BANK N.A. CHICAGO CD CUSIP 51804KST4	95,000.000	95,000.00 95,000.00	99,434.60	4,434.60	4,892.50 1,905.64	4.92
<i>Unit Price: \$104.668; Coupon Rate 5.150%; Matures 08/09/11; Int. Semi-Annually Feb/Aug 09; Yield to Maturity .910%; Issued 08/09/06; Maturity Value = \$95,000.00</i>						
MERIDIAN BANK, NATIONAL ASSOCIATION WICKENBURG CD CUSIP 589581NX1	95,000.000	95,000.00 95,000.00	96,916.15	1,916.15	2,517.50 174.79	2.59
<i>Unit Price: \$102.017; Coupon Rate 2.650%; Matures 09/06/11; Interest Paid Monthly May 05; Yield to Maturity .933%; Issued 03/05/09; Maturity Value = \$95,000.00</i>						
LEGENDS BANK CLARKSVILLE TENN CD CUSIP 52465JDE4	95,000.000	95,000.00 95,000.00	99,053.65	4,053.65	4,275.00 142.50	4.31
<i>Unit Price: \$104.267; Coupon Rate 4.500%; Matures 09/19/11; Interest Paid Monthly Nov 18; Yield to Maturity .972%; Issued 09/18/08; Maturity Value = \$95,000.00</i>						
GUNNISON BANK AND TRUST COMPANY GUNNISON CD CUSIP 402843AF3	85,000.000	85,000.00 85,000.00	89,488.00	4,488.00	4,292.50 715.41	4.79
<i>Unit Price: \$105.280; Coupon Rate 5.050%; Matures 10/31/11; Int. Semi-Annually Apr/Oct 30; Yield to Maturity 1.059%; Issued 10/31/06; Maturity Value = \$85,000.00</i>						
KEYBANK NATIONAL ASSOCIATION CLEVELAND OH CD CUSIP 49306SKJ4	95,000.000	95,000.00 95,000.00	96,748.00	1,748.00	2,280.00 152.00	2.35
<i>Unit Price: \$101.840; Coupon Rate 2.400%; Matures 11/07/11; Interest Paid Monthly Jul 06; Yield to Maturity 1.027%; Issued 05/06/09; Maturity Value = \$95,000.00</i>						
BAYTREE NATIONAL BANK & TRUST COMPANY LAKE FOREST CD CUSIP 073234DFO	95,000.000	95,000.00 95,000.00	99,731.00	4,731.00	4,275.00 59.37	4.28
<i>Unit Price: \$104.980; Coupon Rate 4.500%; Matures 12/27/11; Interest Paid Monthly Aug 25; Yield to Maturity 1.124%; Issued 06/25/08; Maturity Value = \$95,000.00</i>						
GREAT SOUTHERN BANK REEDS SPRING CD CUSIP 39120VQV9	95,000.000	95,000.00 95,000.00	97,317.05	2,317.05	2,612.50 291.06	2.68
<i>Unit Price: \$102.439; Coupon Rate 2.750%; Matures 01/20/12; Int. Semi-Annually May/Nov 20; Yield to Maturity 1.163%; Issued 05/20/09; Maturity Value = \$95,000.00</i>						
ATLANTIC SOUTHERN BANK MACON GA CD CUSIP 048874HJ3	95,000.000	95,000.00 95,000.00	97,108.05	2,108.05	2,470.00 54.87	2.54
<i>Unit Price: \$102.219; Coupon Rate 2.600%; Matures 01/23/12; Interest Paid Monthly Jul 22; Yield to Maturity 1.164%; Issued 05/22/09; Maturity Value = \$95,000.00</i>						

CONTINUE



Holdings

Basic Securities Account
136-022962-062

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
BMW BANK OF NORTH AMERICA SALT LAKE CITY UT CD CUSIP 05568PFX0	95,000.00	95,000.00	99,341.50	4,341.50	3,800.00 1,063.58	3.8%
<i>Unit Price: \$104.570; Coupon Rate 4.000%; Matures 03/19/12; Int. Semi-Annually Mar/Sep 19; Yield to Maturity 1.303%; Issued 03/19/08; Maturity Value = \$95,000.00</i>						
CAPITAL ONE BANK (USA) N.A. GLEN ALLEN VA CD CUSIP 14041AK73	95,000.00	95,000.00	99,386.15	4,386.15	3,800.00 924.04	3.8%
<i>Unit Price: \$104.617; Coupon Rate 4.000%; Matures 04/02/12; Int. Semi-Annually Apr/Oct 02; Yield to Maturity 1.331%; Issued 04/02/08; Maturity Value = \$95,000.00</i>						
NATIONAL CITY BANK CLEVELAND OH CD CUSIP 635349FEB	95,000.00	95,000.00	99,386.15	4,386.15	3,800.00 950.00	3.8%
<i>Unit Price: \$104.617; Coupon Rate 4.000%; Matures 04/02/12; Int. Semi-Annually Mar/Sep 30; Yield to Maturity 1.331%; Issued 03/31/08; Maturity Value = \$95,000.00</i>						
MONROE BANK & TRUST MONROE MI CD CUSIP 610321BV2	95,000.00	95,000.00	99,263.60	4,263.60	3,705.00 195.54	3.7%
<i>Unit Price: \$104.488; Coupon Rate 3.900%; Matures 04/11/12; Interest Paid Monthly Jun 11; Yield to Maturity 1.341%; Issued 04/11/08; Maturity Value = \$95,000.00</i>						
FRANKLIN TEMPLETON BANK & TRUS T, FSB SALT LAKE CITY UT CD CUSIP 35472QBR7	95,000.00	95,000.00	99,449.80	4,449.80	3,800.00 126.65	3.8%
<i>Unit Price: \$104.684; Coupon Rate 4.000%; Matures 04/18/12; Interest Paid Monthly Jun 18; Yield to Maturity 1.357%; Issued 04/18/08; Maturity Value = \$95,000.00</i>						
THE BANK OF NORTHERN MICHIGAN PETOSKEY CD CUSIP 06414TJS3	95,000.00	95,000.00	99,832.65	4,832.65	3,990.00 585.48	3.9%
<i>Unit Price: \$105.087; Coupon Rate 4.200%; Matures 05/07/12; Int. Semi-Annually May/Nov 07; Yield to Maturity 1.409%; Issued 05/07/08; Maturity Value = \$95,000.00</i>						
FRIENDSHIP ST BK IND CD CUSIP 358529AJ4	95,000.00	95,005.25	101,240.55	6,235.30	4,750.00 277.03	4.6%
<i>Unit Price: \$106.569; Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 1.407%; Issued 05/09/07; Maturity Value = \$95,000.00</i>						
GOLF SAVINGS BANK MOUNTLAKE TERRACE CD CUSIP 38167PJZ7	95,000.00	95,000.00	101,240.55	6,240.55	4,750.00 277.03	4.6%
<i>Unit Price: \$106.569; Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 1.407%; Issued 05/09/07; Maturity Value = \$95,000.00</i>						

CONTINUE



Holdings

Basic Securities Account
136-022962-062

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
OCEANIC BK SAN FRANCISCO CALIF CD CUSIP 67523PCA7 <i>Unit Price: \$106.569; Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 1.407%; Issued 05/09/07; Maturity Value = \$95,000.00</i>	95,000.000	95,005.25 95,005.25	101,240.55	6,235.30	4,750.00 277.03	4.69
ACACIA FEDERAL SAVINGS BANK FALLS CHURCH VA CD CUSIP 003874RP1 <i>Unit Price: \$105.118; Coupon Rate 4.200%; Matures 05/16/12; Int. Semi-Annually May/Nov 16; Yield to Maturity 1.428%; Issued 05/16/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	99,862.10	4,862.10	3,990.00 487.90	3.99
BRANCH BANKING & TRUST COMPANY WINSTON-SALEM NC CD CUSIP 105133BE1 <i>Unit Price: \$105.253; Coupon Rate 4.250%; Matures 05/29/12; Int. Semi-Annually May/Nov 28; Yield to Maturity 1.456%; Issued 05/28/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	99,990.35	4,990.35	4,037.50 362.05	4.03
WESTBRIDGE BANK AND TRUST CHESTERFIELD MO CD CUSIP 95715QBK3 <i>Unit Price: \$105.742; Coupon Rate 4.450%; Matures 06/25/12; Interest Paid Monthly Aug 23; Yield to Maturity 1.505%; Issued 06/23/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	100,454.90	5,454.90	4,227.50 82.19	4.20
GE MONEY BANK DRAPER UT CD CUSIP 36159UDB9 <i>Unit Price: \$106.597; Coupon Rate 4.700%; Matures 09/18/12; Int. Semi-Annually Mar/Sep 18; Yield to Maturity 1.656%; Issued 09/18/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101,267.15	6,267.15	4,465.00 1,261.84	4.40
FLAGSTAR BANK, FSB TROY MICH CD CUSIP 33847EB71 <i>Unit Price: \$106.739; Coupon Rate 4.750%; Matures 09/19/12; Interest Paid Monthly Nov 19; Yield to Maturity 1.645%; Issued 09/19/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101,402.05	6,402.05	4,512.50 137.87	4.45
BANK OF WHITMAN COLFAX WA CD CUSIP 065788EU1 <i>Unit Price: \$103.461; Coupon Rate 3.250%; Matures 03/11/13; Int. Semi-Annually Mar/Sep 11; Yield to Maturity 1.927%; Issued 03/11/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	98,287.95	3,287.95	3,087.50 931.28	3.14
JP MORGAN (FORMER WAMU FSB PARK CITY UT) CD CUSIP 939371AZ3 <i>Unit Price: \$104.724; Coupon Rate 4.250%; Matures 03/28/13; Int. Semi-Annually Mar/Sep 30; Yield to Maturity 2.458%; Issued 03/31/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	99,487.80	4,487.80	4,037.50 1,009.37	4.05
ALLY BANK (FORMERLY GMAC BANK) MIDVALE UTAH CD CUSIP 36185AM54 <i>Unit Price: \$103.305; Coupon Rate 3.200%; Matures 04/03/13; Int. Semi-Annually Apr/Oct 03; Yield to Maturity 1.963%; Issued 04/03/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	98,139.75	3,139.75	3,040.00 730.92	3.09

CONTINUE



Holdings

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SAN LORENZO VALLEY WATER DIST
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CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
CIT BANK SALT LAKE CITY UT CD CUSIP 17284P4P7	95,000.00	95,000.00 95,000.00	98,260.40	3,260.40	3,087.50 700.17	3.1%
<i>Unit Price: \$103.432; Coupon Rate 3.250%; Matures 04/08/13; Int. Semi-Annually Apr/Oct 08; Yield to Maturity 1.972%; Issued 04/08/09; Maturity Value = \$95,000.00</i>						
WACHOVIA BANK FSB HOUSTON CD CUSIP 92979HBG0	95,000.00	95,000.00 95,000.00	99,232.25	4,232.25	4,037.50 904.57	4.0%
<i>Unit Price: \$104.455; Coupon Rate 4.250%; Matures 04/09/13; Int. Semi-Annually Apr/Oct 09; Yield to Maturity 2.576%; Issued 04/09/08; Maturity Value = \$95,000.00</i>						
INVESTORS CMNTY BK MANITOWOC WIS CD CUSIP 46147UHY9	95,000.00	95,000.00 95,000.00	100,315.25	5,315.25	3,847.50 203.06	3.8%
<i>Unit Price: \$105.595; Coupon Rate 4.050%; Matures 04/11/13; Interest Paid Monthly Jun 11; Yield to Maturity 1.972%; Issued 04/11/08; Maturity Value = \$95,000.00</i>						
PLANTERSFIRST CORDELE GA CD CUSIP 72748PCT5	95,000.00	95,000.00 95,000.00	100,187.95	5,187.95	3,800.00 200.53	3.7%
<i>Unit Price: \$105.461; Coupon Rate 4.000%; Matures 04/11/13; Interest Paid Monthly Jun 11; Yield to Maturity 1.972%; Issued 04/11/08; Maturity Value = \$95,000.00</i>						
SAEHAN BANK LOS ANGELES CD CUSIP 785907AX4	95,000.00	95,000.00 95,000.00	97,871.85	2,871.85	2,945.00 73.61	3.0%
<i>Unit Price: \$103.023; Coupon Rate 3.100%; Matures 04/22/13; Interest Paid Monthly Jun 21; Yield to Maturity 1.989%; Issued 04/21/09; Maturity Value = \$95,000.00</i>						
GOLDMAN SACHS BANK USA SALT LAKE CITY UTAH CD CUSIP 381426HR9	95,000.00	95,000.00 95,000.00	101,340.30	6,340.30	4,227.50 700.75	4.1%
<i>Unit Price: \$106.674; Coupon Rate 4.450%; Matures 04/30/13; Int. Semi-Annually Apr/Oct 30; Yield to Maturity 2.014%; Issued 04/30/08; Maturity Value = \$95,000.00</i>						
CAPMARK BANK MIDVALE UT CD CUSIP 140653VA1	95,000.00	95,000.00 95,000.00	101,514.15	6,514.15	4,275.00 383.35	4.2%
<i>Unit Price: \$106.857; Coupon Rate 4.500%; Matures 05/28/13; Int. Semi-Annually May/Nov 28; Yield to Maturity 2.061%; Issued 05/28/08; Maturity Value = \$95,000.00</i>						
PROVIDENT BANK OF MARYLAND BALTIMORE CD CUSIP 743849FT3	95,000.00	95,000.00 95,000.00	101,953.05	6,953.05	4,417.50 120.69	4.3%
<i>Unit Price: \$107.319; Coupon Rate 4.650%; Matures 06/20/13; Int. Semi-Annually Jun/Dec 20; Yield to Maturity 2.097%; Issued 06/20/08; Maturity Value = \$95,000.00</i>						
WACHOVIA BK FSB HOUSTON TEX CD CUSIP 92979HGV2	95,000.00	95,000.00 95,000.00	101,966.35	6,966.35	4,797.50 1,434.03	4.7%
<i>Unit Price: \$107.333; Coupon Rate 5.050%; Matures 09/12/13; Int. Semi-Annually Mar/Sep 12; Yield to Maturity 2.644%; Issued 09/12/08; Maturity Value = \$95,000.00</i>						
CAPITAL ONE, NATIONAL ASSOCIATION MCLEAN VA CD CUSIP 14042EC24	95,000.00	95,000.00 95,000.00	103,057.90	8,057.90	4,702.50 1,341.74	4.5%
<i>Unit Price: \$108.482; Coupon Rate 4.950%; Matures 09/17/13; Int. Semi-Annually Mar/Sep 17; Yield to Maturity 2.201%; Issued 09/17/08; Maturity Value = \$95,000.00</i>						

CONTINUE



Holdings

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CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
MORGAN STANLEY BANK N.A. SALT LAKE CITY UT CD CUSIP 61747MRB9	95,000.000	95,000.00 95,000.00	103,515.80	8,515.80	4,797.50 730.05	4.63
<i>Unit Price: \$108.964; Coupon Rate 5.050%; Matures 11/05/13; Int. Semi-Annually May/Nov 05; Yield to Maturity 2.255%; Issued 11/05/08; Maturity Value = \$95,000.00</i>						
WORLD FINANCIAL NETWORK NATL BANK COLUMBUS OH CD CUSIP 981999I72	100,000.000	100,000.00 100,000.00	106,430.00	6,430.00	5,000.00 388.82	4.69
<i>Unit Price: \$106.430; Coupon Rate 5.000%; Matures 11/26/13; Interest Paid Monthly Jan 02; Yield to Maturity 2.999%; Issued 11/26/08; Maturity Value = \$100,000.00</i>						
DISCOVER BANK GREENWOOD CD CUSIP 254670TX0	90,000.000	90,000.00 90,000.00	91,097.10	1,097.10	2,385.00 136.84	2.61
<i>Unit Price: \$101.219; Coupon Rate 2.650%; Matures 12/09/13; Int. Semi-Annually Jun/Dec 09; Yield to Maturity 2.280%; Issued 12/09/09; Maturity Value = \$90,000.00</i>						
HILLCREST BANK OVERLAND PARK KS CD CUSIP 43147YLHO	95,000.000	95,000.00 95,000.00	98,813.30	3,813.30	3,325.00 83.10	3.36
<i>Unit Price: \$104.014; Coupon Rate 3.500%; Matures 01/21/14; Interest Paid Monthly Mar 21; Yield to Maturity 2.318%; Issued 01/21/09; Maturity Value = \$95,000.00</i>						
SALLIE MAE BANK MURRAY UT CD CUSIP 795450HC2	95,000.000	95,000.00 95,000.00	98,798.10	3,798.10	3,325.00 1,451.24	3.36
<i>Unit Price: \$103.998; Coupon Rate 3.500%; Matures 01/23/14; Int. Semi-Annually Jan/Jul 23; Yield to Maturity 2.324%; Issued 01/23/09; 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	98,799.05	3,799.05	3,325.00 1,341.02	3.36
<i>Unit Price: \$103.999; Coupon Rate 3.500%; Matures 02/04/14; Int. Semi-Annually Feb/Aug 04; Yield to Maturity 2.334%; Issued 02/04/09; 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	98,799.05	3,799.05	3,325.00 1,276.72	3.36
<i>Unit Price: \$103.999; Coupon Rate 3.500%; Matures 02/11/14; Int. Semi-Annually Feb/Aug 11; Yield to Maturity 2.339%; Issued 02/11/09; Maturity Value = \$95,000.00</i>						
TOYOTA FINANCIAL SAVINGS BANK HENDERSON CD CUSIP 89235MCM1	95,000.000	95,000.00 95,000.00	98,620.45	3,620.45	3,277.50 671.61	3.32
<i>Unit Price: \$103.811; Coupon Rate 3.450%; Matures 04/16/14; Int. Semi-Annually Apr/Oct 16; Yield to Maturity 2.393%; Issued 04/16/09; Maturity Value = \$95,000.00</i>						

CONTINUE



Holdings

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SAN LORENZO VALLEY WATER DIST
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CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
THE NATIONAL BANK MOLINE IL CD CUSIP 634030AD2	95,000.00	95,000.00 95,000.00	98,174.90	3,174.90	3,087.50 85.75	3.14
<i>Unit Price: \$103.342; Coupon Rate 3.250%; Matures 05/20/14; Interest Paid Monthly Jul 20; Yield to Maturity 2.346%; Issued 05/20/09; Maturity Value = \$95,000.00</i>						
BARCLAYS BANK DELAWARE WILMINGTON DE CD CUSIP 06740KAY3	50,000.00	50,000.00 50,000.00	51,230.50	1,230.50	1,575.00 539.50	3.07
<i>Unit Price: \$102.461; Coupon Rate 3.150%; Matures 08/26/14; Int. Semi-Annually Feb/Aug 26; Yield to Maturity 2.522%; Issued 08/26/09; Maturity Value = \$50,000.00</i>						
DISCOVER BANK GREENWOOD DEL CD CUSIP 25469JUV9	95,000.00	95,000.00 95,000.00	104,401.20	9,401.20	4,797.50 1,368.85	4.59
<i>Unit Price: \$109.896; Coupon Rate 5.050%; Matures 09/17/14; Int. Semi-Annually Mar/Sep 17; Yield to Maturity 2.557%; Issued 09/17/08; Maturity Value = \$95,000.00</i>						
BARCLAYS BANK DELAWARE WILMINGTON DE CD CUSIP 06740KBQ9	45,000.00	45,000.00 45,000.00	46,062.45	1,062.45	1,417.50 381.33	3.07
<i>Unit Price: \$102.361; Coupon Rate 3.150%; Matures 09/23/14; Int. Semi-Annually Mar/Sep 23; Yield to Maturity 2.557%; Issued 09/23/09; Maturity Value = \$45,000.00</i>						
CITIBANK, NATIONAL ASSOCIATION LAS VEGAS NV CD CUSIP 17312QPR4	100,000.00	100,000.00 100,000.00	101,483.00	1,483.00	3,000.00 229.50	2.99
<i>Unit Price: \$101.483; Coupon Rate 3.000%; Matures 12/02/14; Int. Semi-Annually Jun/Dec 02; Yield to Maturity 2.642%; Issued 12/02/09; Maturity Value = \$100,000.00</i>						
BMW BANK OF NORTH AMERICA SALT LAKE CITY UT CD CUSIP 05568PUS4	95,000.00	95,000.00 95,000.00	96,158.05	1,158.05	2,755.00 1,210.06	2.86
<i>Unit Price: \$101.219; Coupon Rate 2.900%; Matures 01/22/15; Int. Semi-Annually Jan/Jul 22; Yield to Maturity 2.615%; Issued 01/22/10; Maturity Value = \$95,000.00</i>						
REPUBLIC BANK, INC. BOUNTIFUL UT CD CUSIP 76031ONG3	95,000.00	95,000.00 95,000.00	98,208.15	3,208.15	3,325.00 18.46	3.38
<i>Unit Price: \$103.377; Coupon Rate 3.500%; Matures 01/29/15; Interest Paid Monthly Mar 28; Yield to Maturity 2.711%; Issued 01/29/09; Maturity Value = \$95,000.00</i>						
GE MONEY BANK DRAPER UT CD CUSIP 36159UNS1	95,000.00	95,000.00 95,000.00	95,100.70	100.70	2,565.00 476.55	2.69
<i>Unit Price: \$100.106; Coupon Rate 2.700%; Matures 04/23/15; Int. Semi-Annually Apr/Oct 23; Yield to Maturity 2.676%; Issued 04/23/10; Maturity Value = \$95,000.00</i>						
FIRST NATIONAL BANK OF AMERICA EAST LANSING MI CD CUSIP 32110YDB8	95,000.00	95,000.00 95,000.00	98,718.30	3,718.30	3,515.00 224.54	3.56
<i>Unit Price: \$103.914; Coupon Rate 3.700%; Matures 05/07/15; Interest Paid Monthly Jul 07; Yield to Maturity 2.831%; Issued 05/07/09; Maturity Value = \$95,000.00</i>						

CONTINUE



Holdings

Basic Securities Account SAN LORENZO VALLEY WATER DIST
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CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
ESSA BANK & TRUST STROUDSBURG PA CD CUSIP 29667RCL5 <i>Unit Price: \$100.278; Coupon Rate 2.750%; Matures 10/23/15; Int. Semi-Annually Apr/Oct 23; Yield to Maturity 2.693%; Issued 04/23/10; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	95,264.10	264.10	2,612.50 485.38	2.74
GE CAPITAL FINANCIAL INC HOLLADAY UT CD CUSIP 36160VFE6 <i>Unit Price: \$110.111; Coupon Rate 5.300%; Matures 11/06/15; Int. Semi-Annually May/Nov 06; Yield to Maturity 3.227%; Issued 11/06/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	104,605.45	9,605.45	5,035.00 752.51	4.81
HSBC BANK USA, NA - MCLEAN VA FID CUSIP 40431A2M3 <i>Unit Price: \$101.386; Coupon Rate 3.250%; Matures 02/16/22; Int. Semi-Annually Feb/Aug 16; Yield to Maturity 3.107%; Stepped; Issued 02/16/10; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	96,316.70	1,316.70	3,087.50 1,142.88	3.20
BANK HAPOALIM B M NEW YORK BRH NY FID CUSIP 06251ATK6 <i>Unit Price: \$100.533; Coupon Rate 3.000%; Matures 06/02/22; Int. Semi-Annually Jun/Dec 02; Yield to Maturity 2.947%; Stepped; Issued 06/02/10; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	95,506.35	506.35	2,850.00 218.03	2.98
HARRIS NATL ASSOC, CHICAGO IL - FID CUSIP 41456TGV5 <i>Unit Price: \$99.753; Coupon Rate 1.750%; Matures 12/09/22; Int. Semi-Annually Jun/Dec 09; Yield to Maturity 1.772%; Stepped; Issued 06/09/10; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	94,765.35	(234.65)	1,662.50 95.38	1.75
TOTAL CERTIFICATES OF DEPOSIT	68.0%	\$6,145,015.75 \$6,145,015.75	\$6,401,683.30	\$256,667.55	\$238,737.50 \$39,221.12	3.73%
TOTAL ENDING MARKET VALUE	100.0%	Total Cost \$9,002,692.93	Market Value \$9,408,222.95	Unrealized Gain/(Loss) \$277,779.52	Estimated Annual Income Accrued Income \$315,596.00 \$54,784.63	Yield % 3.35%

CLIENT STATEMENT | For the Period June 1-30, 2010

Activity

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

CASH FLOW ACTIVITY

Transaction Settlement							
Date	Date	Activity Type	Description	Comments	Quantity	Price	Inflows/(Outflow)
5/20	6/2	Bought	BANK HAPOALIM CD 3000 *22JN02		95,000.000	\$100.0000	\$(95,000.00)
5/21	6/9	Bought	HARRIS NA CD 1750 *22DE09		95,000.000	100.0000	(95,000.00)
5/26	6/1	Sold	TENN VALLEY AUTH 00000 13NV01		160,000.000	91.8499	146,959.90
6/2	6/2	Interest Income	CITIBANK, NA CD 3000 14DE02				1,495.80
6/2	6/2	Interest Income	WORLD JUMBO CD 5000 13NV26				424.60
6/5	6/5	Interest Income	MERIDIAN BANK CD 2650 11SP06				213.80
6/6	6/6	Interest Income	KEY BANK CD 2400 11NV07				193.60
6/7	6/7	Interest Income	FIRST NATL BK CD 3700 15MY07				298.50
6/8	6/8	Interest Income	NOVA SVGS BK CD 4500 11JN08				1,907.20
6/8	6/8	Interest Income	LEADERS BANK CD 2250 11MY09				181.50
6/9	6/9	Interest Income	DISCOVER BANK CD 2650 13DE09				1,189.20
6/9	6/9	Interest Income	GOLF SVGS BANK CD 5000 12MY09				403.40
6/9	6/9	Interest Income	OCEANIC BK CD 5000 12MY09				403.40
6/9	6/9	Interest Income	FRIEDNSHIP ST CD 5000 12MY09				403.40
6/10	6/10	Interest Income	FNMA 4000 *24JN10				2,000.00
6/11	6/11	Interest Income	INVESTORS CD 4050 13AP11				326.70
6/11	6/11	Interest Income	PLANTERSFIRST CD 4000 13AP11				322.70
6/11	6/11	Interest Income	MONROE B&T CD 3900 12AP11				314.60
6/15	6/15	Interest Income	FHLMC MTN 3000 *19DE15				7,708.30
6/18	6/18	Interest Income	LEGENDS BANK CD 4500 11SP19				363.00
6/18	6/18	Interest Income	FRANKLIN TEMP BK 4000 12AP18				322.70
6/19	6/19	Interest Income	FLAGSTAR BANK CD 4750 12SP19				383.20
6/20	6/20	Interest Income	PROV BK MARYLAND 4650 13JN20				2,202.70
6/20	6/20	Interest Income	MACATAWA BANK CD 4400 11MY20				355.00
6/20	6/20	Interest Income	NATIONAL BANK CD 3250 14MY20				262.20
6/21	6/21	Interest Income	HILLCREST BANK CD 3500 14JA21				282.40
6/21	6/21	Interest Income	SAEHAN BANK CD 3100 13AP22				250.10
6/22	6/22	Interest Income	ATLAN TIC STHN CD 2600 12JA23				209.70
6/23	6/23	Interest Income	WESTBRIDGE BK CD 4450 12JN25				359.00
6/25	6/25	Interest Income	BAYTREE NATL BK & 4500 11DE27				363.00
6/29	6/29	Interest Income	MORGAN STANLEY BANK N.A. (Period 05/28-06/29)				5.60
6/30	6/30	Interest Income	COWLITZ BANK CD 4300 10JN30				2,036.90
6/30	6/30	Interest Income	REPUBLIC BANK CD 3500 15JA29				273.29
6/30	6/30	Redemption	COWLITZ BANK CD 4300 10JN30	REDEMPTION OF MATURED BOND	95,000.000		95,000.00
NET INFLOWS(OUTFLOWS)							\$77,416.48

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



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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

MMF AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Bank Deposit Program Money Market Fund:
6/1	Automatic Investment	BANK DEPOSIT PROGRAM	\$5,306.34
6/2	Automatic Investment	BANK DEPOSIT PROGRAM	51,959.91
6/3	Automatic Investment	BANK DEPOSIT PROGRAM	1,920.55
6/8	Automatic Redemption	BANK DEPOSIT PROGRAM	(94,294.02)
6/9	Automatic Investment	BANK DEPOSIT PROGRAM	2,088.80
6/10	Automatic Investment	BANK DEPOSIT PROGRAM	2,399.49
6/11	Automatic Investment	BANK DEPOSIT PROGRAM	2,000.00
6/14	Automatic Investment	BANK DEPOSIT PROGRAM	964.18
6/16	Automatic Investment	BANK DEPOSIT PROGRAM	7,708.34
6/21	Automatic Investment	BANK DEPOSIT PROGRAM	685.82
6/22	Automatic Investment	BANK DEPOSIT PROGRAM	3,735.71
6/28	Automatic Investment	BANK DEPOSIT PROGRAM	931.91
6/29	Automatic Investment	BANK DEPOSIT PROGRAM	5.60
NET ACTIVITY FOR PERIOD			\$(14,587.37)

REALIZED GAIN/(LOSS) DETAIL

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
COWLITZ BANK CD	4.300 6-30-10	06/27/08 06/30/10	95,000.000	\$95,000.00	\$95,000.00	\$0.00	
TENN VALLEY AUTH	.000 11-01-13	04/14/09 05/26/10	160,000.000	146,959.91	146,611.13	348.78	
Net Realized Gain/(Loss) This Period				\$241,959.91	\$241,611.13	\$348.78	
Net Realized Gain/(Loss) Year to Date				\$2,712,195.64	\$2,711,640.35	\$555.29	

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.

From January through September, realized gain/loss information will be shown only for trades settling in the current month, and/or certain adjustments (to previously closed lots) made in the current month. From October through December, in order to provide information for year-end investment planning, complete year to date realized gain/loss detail will be displayed for trades settling through the last business day of the year.



Messages

Basic Securities Account
136-022962-062

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

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.

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.

Due to 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, and are not an indication of any offer to purchase at such price. 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 in most cases reflect par value, but may be derived from various sources. These prices may differ from: prices provided to us or our affiliates by outside pricing services; our or our affiliates' own internal bookkeeping valuations; prices of transactions executed in any secondary market that exists or may develop; and/or the prices at which issuer repurchases or redemptions may occur. 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.

Involve investment risks, including possible loss of principal amount invested.

Addition of Unit Cost Column to the Holdings Section for eligible accounts

We are now providing "unit cost" information for accounts whose statements display unrealized gain/loss information at a tax lot level. For accounts where unrealized gain/loss is provided only at the aggregate security level, unit cost cannot be provided. In such cases, the column for "unit cost" will not appear. For all accounts, the month end market price/estimated value will now be presented as the first item listed beneath the security description. Note: depending upon the type of security, the share price field may display a different label (e.g. "contract price" for options, "unit price" for bonds, etc.)

** REMINDER: THE UNLIMITED FDIC PROGRAM ENDS JUNE 30, 2010 **

Effective July 1, 2010, Morgan Stanley Bank, N.A. and Morgan Stanley Trust (the "Banks") will stop participating in the FDIC's Transaction Account Guarantee Program ("TAGP"). This means that clients who enrolled their deposits in the TAGP through Morgan Stanley Smith Barney's Bank Deposit Program and/or GlobalCurrency (the "Programs") will no longer have their deposits guaranteed in full. Instead, all deposits in these Programs will be eligible for FDIC insurance up to \$250,000 under the FDIC's general deposit rules. Please visit www.fdic.gov for more information. The interest rates for TAGP deposits will revert to their generally applicable Program rates on July 1, 2010.

Morgan Stanley Smith Barney is a registered broker-dealer, not a bank. Unless specifically disclosed in writing, other investments and services offered through Morgan Stanley Smith Barney are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, the Banks and

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