

M E M O

TO: Board of Directors

FROM: Finance Manager

SUBJECT: INVESTMENT REPORT PERIOD ENDING JANUARY 31, 2007

DATE: February 22, 2007

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 January 31, 2007 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

KA
Attachment

OFFICE OF THE TREASURER

SACRAMENTO

Local Agency Investment Fund

PO Box 942809

Sacramento, CA 94209-0001

(916) 653-3001

www.treasurer.ca.gov/pmia-laif



January, 2007 Statement

SAN LORENZO VALLEY WATER DISTRICT

Attn: DISTRICT MANAGER

13060 HIGHWAY 9

BOULDER CREEK CA 95006

Account Number : 90-44-001**Transactions**

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
01-12-2007	01-11-2007	QRD	1106356	SYSTEM	5,028.27

Account Summary

Total Deposit :	5,028.27	Beginning Balance :	41,353.44
Total Withdrawal :	0.00	Ending Balance :	46,381.71

RECEIVED**FEB 12 2007****SAN LORENZO VALLEY
WATER DISTRICT**

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)
May 2006	\$62,884,541	4.563	151
May 2005	\$61,691,707	2.856	170
Change	+\$1,192,834	+1.707	-19
June 2006	\$63,221,434	4.700	152
June 2005	\$62,955,506	2.967	165
Change	+\$265,928	+1.733	-13
July 2006	\$59,553,163	4.849	164
July 2005	\$55,782,241	3.083	183
Change	+\$3,770,922	+1.766	-19
August 2006	\$57,570,790	4.946	161
August 2005	\$52,830,344	3.179	183
Change	+\$4,740,446	+1.767	-22
September 2006	\$57,084,758	5.023	160
September 2005	\$51,811,038	3.324	169
Change	+\$5,273,720	+1.699	-9
October 2006	\$55,749,223	5.098	190
October 2005	\$50,410,419	3.458	177
Change	+\$5,338,804	+1.64	+13
November 2006	\$54,224,796	5.125	185
November 2005	\$52,999,227	3.636	204
Change	+\$1,225,569	+1.489	-19
December 2006	\$54,439,522	5.129	183
December 2005	\$54,545,590	3.808	192
Change	-\$106,068	+1.321	-9

State of California
Pooled Money Investment Account
Market Valuation
1/31/2007

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch.		
United States Treasury:				
Bills	\$ 4,613,864,930.62		\$ 4,653,346,000.00	NA
Notes	\$ -		\$ -	\$ -
Federal Agency:				
SBA	\$ 678,385,234.21		\$ 672,020,489.76	\$ 6,313,872.13
MBS	\$ 944,760,945.45		\$ 924,478,488.61	\$ 4,366,363.72
Bonds	\$ 9,171,789,312.88		\$ 9,138,728,979.36	\$ 206,083,547.09
Floater	\$ -		\$ -	\$ -
Discount Notes	\$ 5,481,145,855.63		\$ 5,553,939,000.00	NA
FHLMC PC	\$ 719,540.97		\$ 743,765.61	\$ 11,650.67
GNMA	\$ 222,754.19		\$ 245,897.70	\$ 2,215.33
Bankers Acceptances	\$ -		\$ -	NA
Bank Notes	\$ 1,025,000,000.00		\$ 1,024,906,022.25	\$ 7,252,799.99
CDs	\$ 10,818,340,447.26		\$ 10,813,781,908.70	\$ 108,467,494.67
Commercial Paper	\$ 9,329,034,768.82		\$ 9,375,804,094.33	NA
Corporate:				
Floater	\$ 200,039,556.02		\$ 200,099,800.00	\$ 1,387,499.63
Bonds	\$ 459,420,297.88		\$ 457,636,637.59	\$ 6,984,948.61
Repurchase Agreements			\$ -	NA
Reverse Repurchase	\$ -		\$ -	\$ -
Time Deposits	\$ 8,599,495,000.00		\$ 8,599,495,000.00	NA
AB 55 & GF Loans	\$ 8,363,448,270.70		\$ 8,363,448,270.70	NA
TOTAL	\$ 59,685,666,914.63		\$ 59,778,674,354.61	\$ 340,870,391.84

Fair Value Including Accrued Interest \$ 60,119,544,746.45

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

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)
1/31/2007	5.16	5.15	183
2/1/2007	5.16	5.15	186
2/2/2007	5.17	5.16	186
2/3/2007	5.17	5.16	186
2/4/2007	5.17	5.16	186
2/5/2007	5.17	5.16	183
2/6/2007	5.17	5.16	182
2/7/2007	5.17	5.16	180
2/8/2007	5.17	5.16	180
2/9/2007	5.17	5.16	182
2/10/2007	5.17	5.16	182
2/11/2007	5.17	5.16	182
2/12/2007	5.17	5.16	182
2/13/2007	5.17	5.16	179

LAIF Performance Report

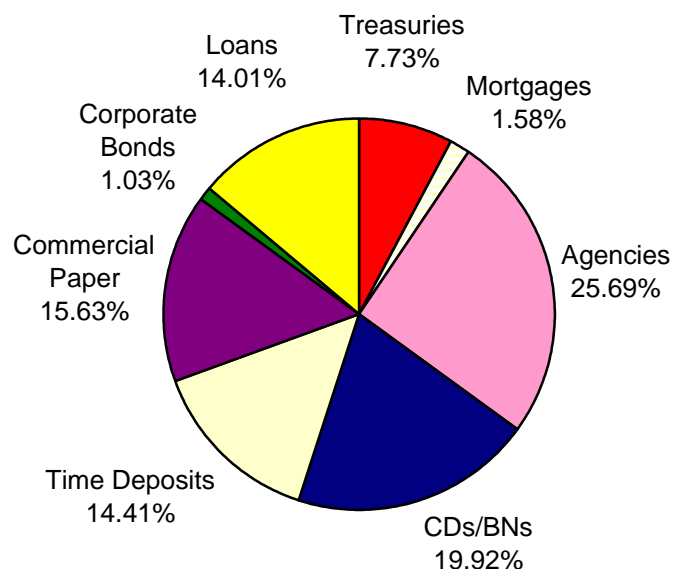
Quarter ending 12/31/06

Apportionment Rate: 5.11%
 Earnings Ratio: .00013991107557790
 Fair Value Factor: .999444427

PMIA Average Monthly Effective Yields

January 2007 5.156%
 December 2006 5.129%
 November 2006 5.125%

Pooled Money Investment Account Portfolio Composition \$59.7 Billion 01/31/07



POOLED MONEY INVESTMENT ACCOUNT

SUMMARY OF INVESTMENT DATA

A COMPARISON OF DECEMBER 2006 WITH DECEMBER 2005 (DOLLARS IN THOUSANDS)

	DECEMBER 2006	DECEMBER 2005	CHANGE
Average Daily Portfolio	\$ 54,439,522	\$ 54,545,590	\$ -106,068
Accrued Earnings	\$ 237,173	\$ 176,406	\$ +60,767
Effective Yield	5.129	3.808	+1.321
Average Life-Month End (In Days)	183	192	-9
Total Security Transactions			
Amount	\$ 30,236,268	\$ 21,953,937	\$ +8,282,331
Number	634	451	+183
Total Time Deposit Transactions			
Amount	\$ 3,380,500	\$ 3,148,500	\$ +232,000
Number	173	146	+27
Average Workday Investment Activity	\$ 1,680,838	\$ 1,195,354	\$ +485,484
Prescribed Demand Account Balances			
For Services	\$ 251,189	\$ 323,120	\$ -71,931
For Uncollected Funds	\$ 165,426	\$ 145,807	\$ +19,619

**PHIL ANGELIDES
TREASURER
STATE OF CALIFORNIA**

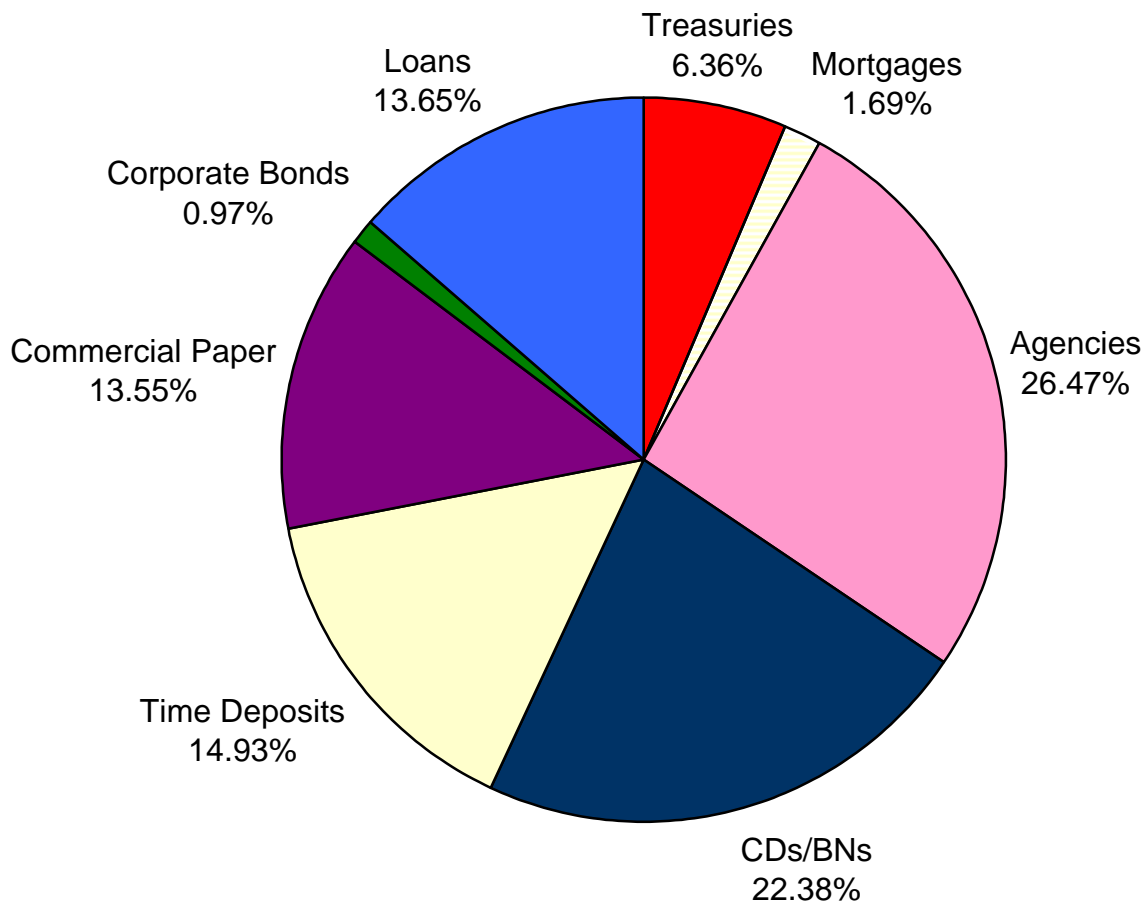
**INVESTMENT DIVISION SELECTED INVESTMENT DATA
ANALYSIS OF THE POOLED MONEY INVESTMENT ACCOUNT PORTFOLIO
(000 OMITTED)**

DECEMBER 31, 2006			
<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	\$ 3,634,185	6.36	+1.58
Bonds	0	0.00	0
Notes	0		0
Strips	0	0.00	0
Total Government	\$ 3,634,185	6.36	+1.58
Federal Agency Coupons	\$ 9,542,202	16.70	-0.75
Certificates of Deposit	11,668,292	20.43	+1.16
Bank Notes	1,115,028	1.95	+0.60
Bankers' Acceptances	0	0.00	0
Repurchases	0	0.00	0
Federal Agency Discount Notes	5,579,459	9.77	+4.53
Time Deposits	8,525,995	14.93	-0.19
GNMAs	225	0.00	0
Commercial Paper	7,738,589	13.55	-2.52
FHLMC/Remics	967,880	1.69	-0.08
Corporate Bonds	554,148	0.97	-0.07
AB 55 Loans	7,604,132	13.31	-0.76
GF Loans	190,600	0.34	-3.50
Reversed Repurchases	0	0.00	0
Total (All Types)	\$ 57,120,735	100.00	

INVESTMENT ACTIVITY

	DECEMBER 2006		NOVEMBER 2006	
	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
Pooled Money	634	\$ 30,236,268	531	\$ 25,025,221
Other	55	1,254,835	30	543,621
Time Deposits	173	3,380,500	193	4,364,800
Totals	862	\$ 34,871,603	754	\$ 29,933,642
 PMIA Monthly Average Effective Yield	 5.129		 5.125	
 Year to Date Yield Last Day of Month	 5.025		 5.004	

**Pooled Money Investment Account
Portfolio Composition
\$57.1 Billion
12/31/06**



Morgan Stanley

Account Valuation	This figure represents the approximate value of your account on a settlement date basis and is 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, or money market fund and/or bank 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 statement period. Your closing cash, money market fund and/or bank deposit balance represents the cash, money market funds and/or bank deposits and reflects the net month end available balance.	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 of every statement month.
Availability of Free Credit Balances and Financial Statements	Under the customer protection rules of the SEC [17 CFR §240.15c3-2 & -3], Morgan Stanley DW Inc. may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We send summary Morgan Stanley DW Inc. financial statements to you semiannually; copies are also available on request, by mail.	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 DW Inc. in exchange for pledging assets in your account as collateral for any outstanding margin loan. The amount you may borrow is based on the value of the eligible securities in your margin account, which are identified by an asterisk(*) on your statement.
Certain Assets Not Held At Morgan Stanley DW Inc.	You may purchase certain assets through Morgan Stanley DW Inc. that may be held at a financial institution other than Morgan Stanley DW Inc. Assets not held at Morgan Stanley DW Inc. may not be covered by SIPC protection. We may include information about these assets on your Morgan Stanley DW Inc. 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 DW Inc. performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, Morgan Stanley DW Inc. performs all tax reporting.	Pricing of Securities	The prices of securities displayed on your 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 bonds trading less frequently, we rely on outside pricing services or a computerized pricing model, which cannot always give us actual market values. Similarly, 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 Morgan Stanley DW Inc. has obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values. Furthermore, limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts showing 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 DW Inc. 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.
Client's Investment Objectives and Financial Situation	It is essential to advise your Financial Advisor immediately if there is a material change in your investment objectives or financial situation.	Security Measures	Your Morgan Stanley DW Inc. statement features several embedded security elements to safeguard its authenticity. One is a unique security mark--a blue rectangle with the letters MS printed in heat-sensitive blue ink on the front side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.
Dividend/Interest (Month/YTD)	These figures represent dividends and/or interest on securities received by Morgan Stanley DW Inc. and credited to your account during the calendar year. As required by law, Morgan Stanley DW Inc. reports to the Internal Revenue Service dividend distributions and taxable bond interest credited to your account. The totals reported are indicated as the year-to-date (YTD) 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).	SIPC Protection	Securities and cash held in Morgan Stanley DW Inc. accounts are protected up to their full net equity value 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). Excess Coverage provides additional protection up to the full net equity value of each account including unlimited coverage for uninvested cash. 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 DW Inc. and do not protect against losses due to market fluctuations. Detailed information is available upon request.
Errors and Inquiries	If you do not understand an entry on your statement or suspect an error was made, it is essential that you immediately contact the manager of the office servicing your account. Oral communications 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.	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 January 31 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 account may be subject to either 28% backup withholding or 30% nonresident alien withholding, as applicable, on payments made to your account.
Estimated Annual Income and Yields	Estimated annual income and yields are calculated by annualizing the most recent distribution and do not reflect historic experience or projected future results. Since the rates are subject to change at any time, they should not be solely relied upon for making investment or trading decisions. You should consult with your Financial Advisor to obtain accurate, current information so you can make an informed decision.	Transaction Dates	All transaction dates on this statement are the transactions' settlement dates. In the case of unsettled trades, we list the trade date instead of the settlement date with a notation that the trade is unsettled. Upon written request, Morgan Stanley will furnish the date and time of a transaction and the name of the other party to a transaction.
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.		

Investments and services are offered through Morgan Stanley DW Inc., member SIPC.

STSODB
Revised 11/2006

STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING JANUARY 31, 2007

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

Unrealized Gain/(Loss)		Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information	
LASALLE BANK CD	5.150	8-09-11	95,000	07-31-06	100.00000 100.00000	95,000.00 95,000.00	93,971.15	(1,028.85)	Short Term
FIRESIDE BANK	5.300	8-09-11	95,000	08-01-06	100.00000 100.00000	95,000.00 95,000.00	94,534.50	(465.50)	Short Term
BANKWEST PIERR CD	5 1/2	8-30-11	95,000	08-30-06	99.98471 99.98471	94,985.47 94,985.47	94,393.90	(591.57)	Short Term
GUNNISON BANK CD	5.050	10-31-11	85,000	10-25-06	100.00000 100.00000	85,000.00 85,000.00	83,720.75	(1,279.25)	Short Term
COUNTRYWIDE BK CD	6.000	8-23-13	95,000	07-31-06	100.00000 100.00000	95,000.00 95,000.00	94,853.70	(146.30)	Short Term
Totals for positions with cost data available						\$13,394,025.10	\$13,132,779.75	(\$261,245.35)	
Total Market Value for all positions							\$13,132,779.75		

The "Total Cost" and "Unit Cost" for Fixed Income Unit Trusts, Mortgage-Backed Securities, and Zero Coupon Bonds has been adjusted to reflect any partial return of principal or capital that may have been paid to you, or accreted interest earned, since your purchase date. In the event that the accumulated total return of principal or capital is greater than the provided original cost, the adjusted cost will be "0.00".

Summary	Short Term	Long Term	Total
Unrealized gain.....	\$1,486.55	\$2,614.70	\$4,101.25
Unrealized (loss).....	(\$8,895.86)	(\$256,450.74)	(\$265,346.60)
Realized gain YTD.....	\$0.00	\$0.00	\$0.00
Realized (loss) YTD.....	\$0.00	\$0.00	\$0.00

*Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.

STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING JANUARY 31, 2007

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

Unrealized Gain/(Loss)		Quantity	Date Acquired	Unit Cost		Total Cost		Market Value	Unrealized Gain/(Loss)	Additional Information
				Original / Adjusted*	Original / Adjusted*	Original / Adjusted*	Original / Adjusted*			
PROVIDIAN NATL CD	4.000	9-15-09	95,000	09-08-04	100.00000 100.00000	95,000.00 95,000.00	95,119.70	119.70	Long Term	
COLE TAYLOR FID	4 1/4	11-24-09	95,000	05-10-04	100.00000 100.00000	95,000.00 95,000.00	93,313.75	(1,686.25)	Long Term	
SOVEREIGN BK CD	4 1/2	12-09-09	95,000	05-18-04	100.00000 100.00000	95,000.00 95,000.00	94,123.15	(876.85)	Long Term	
TOWER BANK CD	4.150	2-23-10	95,000	02-15-05	100.00000 100.00000	95,000.00 95,000.00	91,539.15	(3,460.85)	Long Term	
NEW SOUTH FSB CD	4.000	5-12-10	95,000	10-27-04	100.00000 100.00000	95,000.00 95,000.00	92,695.30	(2,304.70)	Long Term	
CAROLINA FIRST CD	4.000	5-26-10	95,000	11-17-04	100.00000 100.00000	95,000.00 95,000.00	92,981.25	(2,018.75)	Long Term	
M&I BANK FSB FID	4.000	7-10-10	95,000	01-06-05	100.00000 100.00000	95,005.00 95,005.00	93,246.30	(1,758.70)	Long Term	
WASHINGTON MUT CD	4.400	9-21-10	95,000	09-08-05	100.00000 100.00000	95,000.00 95,000.00	91,753.85	(3,246.15)	Long Term	
FRONTIER BANK FID	4 1/2	9-14-10	90,000	11-01-05	98.66302 98.66302	88,796.72 88,796.72	87,206.40	(1,590.32)	Long Term	
GEAUGA SVGS BK CD	4.700	1-28-11	95,000	08-05-05	100.00553 100.00553	95,005.25 95,005.25	92,452.10	(2,553.15)	Long Term	
NATL REP BANK CD	4.900	1-13-11	80,000	01-05-06	100.00000 100.00000	80,000.00 80,000.00	78,456.80	(1,543.20)	Long Term	
NOVA SVGS BK CD	4 1/2	6-08-11	85,000	05-27-05	100.00000 100.00000	85,000.00 85,000.00	81,967.20	(3,032.80)	Long Term	
CITIZENS NB CD	5 3/4	7-28-11	95,000	07-26-06	100.00553 100.00553	95,005.25 95,005.25	96,209.35	1,204.10	Short Term	

This summary is not part of your account statement. It is for information purposes only and should not be used for tax preparation.

**Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.*

STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING JANUARY 31, 2007

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

Unrealized Gain/(Loss)				Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
Certificates of Deposit**										
CAPITAL JUMBO CD	4.550	9-04-07	100,000	08-28-02	100.00000 100.00000	100,000.00 100,000.00		99,470.00	(530.00)	Long Term
IRWIN UNION BK CD	5.050	3-24-08	85,000	03-16-06	100.00000 100.00000	85,000.00 85,000.00		84,546.95	(453.05)	Short Term
FIRST BANK CA CD	4 1/4	4-28-08	90,000	04-15-05	100.00000 100.00000	90,000.00 90,000.00		88,650.00	(1,350.00)	Long Term
DISCOVER BANK CD	3 1/2	12-03-08	95,000	11-26-03	100.00000 100.00000	95,000.00 95,000.00		91,770.95	(3,229.05)	Long Term
BANKWEST INC CD	5 1/2	2-17-09	95,000	07-26-06	100.00000 100.00000	95,000.00 95,000.00		95,056.05	56.05	Short Term
CIT BANK CD	4.900	3-06-09	95,000	02-22-06	100.00000 100.00000	95,000.00 95,000.00		93,946.45	(1,053.55)	Short Term
WEBSTER BANK CD	3.300	3-03-09	95,000	02-25-04	100.00000 100.00000	95,000.00 95,000.00		91,007.15	(3,992.85)	Long Term
1ST SIGNATURE CD	3.300	3-03-09	95,000	02-25-04	100.00000 100.00000	95,000.00 95,000.00		91,007.15	(3,992.85)	Long Term
LEHMAN BROS CD	3 1/2	3-03-09	95,000	02-25-04	100.00000 100.00000	95,000.00 95,000.00		91,374.80	(3,625.20)	Long Term
AMERICAN WEST CD	5.400	6-29-09	95,000	06-19-06	100.00000 100.00000	95,000.00 95,000.00		94,864.15	(135.85)	Short Term
NEVADA SEC BK CD	4.600	8-24-09	85,000	08-16-05	100.00000 100.00000	85,000.00 85,000.00		83,283.00	(1,717.00)	Long Term

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**Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.*

***The "Market Value" and "Unrealized Gain/(Loss)" figures shown for Fixed Income securities are representative values, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" at the end of this statement.*

STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING JANUARY 31, 2007

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

Unrealized Gain/(Loss)		Quantity	Date Acquired	Unit Cost		Total Cost		Market Value	Unrealized Gain/(Loss)	Additional Information
				Original / Adjusted*	Original / Adjusted*	Original / Adjusted*	Original / Adjusted*			
FNMA	3.270	6-16-09	450,000	03-12-04	99.87500 99.87500	449,442.50 449,442.50	431,721.00	(17,721.50)	Long Term	
FNMA	3 1/2	9-04-09	500,000	02-25-04	100.00000 100.00000	500,000.00 500,000.00	480,470.00	(19,530.00)	Long Term	
FNMA	2.900	10-14-09	500,000	01-25-05	99.00000 99.00000	495,005.00 495,005.00	497,500.00	2,495.00	Long Term	
FNMA	4.000	12-17-09	525,000	12-08-03	99.70000 99.70000	523,425.00 523,425.00	515,649.75	(7,775.25)	Long Term	
FFCB	4.950	2-01-10	100,000	11-28-05	99.88025 99.88025	99,880.25 99,880.25	98,813.00	(1,067.25)	Long Term	
FNMA	4 1/2	8-26-10	150,000	08-16-04	100.00000 100.00000	150,000.00 150,000.00	148,078.50	(1,921.50)	Long Term	
FNMA	5.000	12-02-10	250,000	11-07-05	100.00000 100.00000	250,000.00 250,000.00	247,577.50	(2,422.50)	Long Term	
PHLMC MTN	5 1/4	12-15-11	70,000	09-11-06	100.00750 100.00750	70,005.25 70,005.25	69,498.80	(506.45)	Short Term	
FNMA	3 3/4	3-16-12	170,000	09-08-04	100.00000 100.00000	170,000.00 170,000.00	166,600.00	(3,400.00)	Long Term	

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**Adjusted Cost, Unit and Total, does not apply to all securities; it only applies to those securities whose terms can cause them to increase or reduce in value until maturity. Please contact your Financial Advisor for more information.*

STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING JANUARY 31, 2007

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

Unrealized Gain/(Loss)		Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
Government Securities**								
Treasury Securities								
US TSY NOTE	2 1/4	2-15-07	750,000	02-26-04	100.71647 100.00942	755,378.58 750,070.66	749,152.50 (918.16)	Long Term
US TSY NOTE	3.000	11-15-07	700,000	12-05-03	100.90600 100.18835	706,347.00 701,318.51	688,765.00 (12,553.51)	Long Term
US TSY NOTE	4 3/4	11-15-08	850,000	07-05-02	102.00687 100.82736	872,844.50 857,032.60	846,982.50 (10,050.10)	Long Term
US TSY NOTE	3.000	2-15-09	350,000	02-27-04	100.70600 100.30274	352,476.00 351,059.61	337,039.50 (14,020.11)	Long Term
US TSY NOTE	2 5/8	3-15-09	850,000	03-26-04	100.00000 100.00000	850,005.00 850,005.00	811,452.50 (38,552.50)	Long Term
US TSY NOTE	4 7/8	5-15-09	500,000	07-24-06	100.24505 100.20164	501,225.25 501,008.24	499,650.00 (1,358.24)	Short Term
US TSY NOTE	4 7/8	5-31-11	500,000	07-24-06	100.18805 100.16972	500,940.25 500,848.60	501,075.00 226.40	Short Term
Federal Agencies								
FNMA	5 3/4	2-15-08	925,000	07-05-02	106.00768 106.00768	987,615.94 987,615.94	929,338.25 (58,277.69)	Long Term
FHLMC MTN	3.000	3-24-08	1,300,000	04-04-03	99.00500 99.00500	1,293,505.00 1,293,505.00	1,267,773.00 (25,732.00)	Long Term
FHLE	5 1/2	4-24-09	1,200,000	06-28-06	100.00044 100.00044	1,200,005.25 1,200,005.25	1,198,128.00 (1,877.25)	Short Term

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***The "Market Value" and "Unrealized Gain/(Loss)" figures shown for Fixed Income securities are representative values, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" at the end of this statement.*

STATEMENT OF YOUR ACCOUNT
FOR MONTH ENDING JANUARY 31, 2007

PAGE 5 OF 10

Your Financial Advisor
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(950069119604)
SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT
ATTENTION: JAMES A MUELLER
13060 HIGHWAY 9
BOULDER CREEK CA 95006-9119

Account Number
136 022962 014

Householding Anniv. Date:
03/08/2003
Access your account at:
www.morganstanley.com/online

GAIN AND LOSS SUMMARY

The Estimated Gain and Loss information is provided for informational purposes only and may not be relied upon in making any tax, accounting or regulatory filing or report. We recommend that you contact your tax advisor to determine the appropriate information to be used in the preparation of your tax return. This Estimated Gain and Loss Summary is not a substitute 1099 form (or any other appropriate tax form) and should not be filed with your taxes. The figures should be independently verified. Estimated Gain and Loss information does not take into account a taxpayer's particular circumstances such as the existence of hedging transactions, constructive sales or marked-to-market pricing adjustments on certain options held at year-end.

Please note that although Morgan Stanley DW Inc. makes every effort to adjust the cost basis for such securities' capital changes, it does not adjust the cost basis for all events, including amortization of non-municipal bond premiums; exercise of unlisted stock options; securities deemed to have been sold and simultaneously repurchased; receipt of cash in lieu of fractional shares; or the net effect of wash sales and/or short sales against the box.

For securities not purchased through Morgan Stanley DW Inc., for example, securities purchased elsewhere and later transferred to it, any data included in the Estimated Gain and Loss information has been provided either by you or another financial institution. Whether provided by you, another financial institution or Morgan Stanley DW Inc., it is your responsibility to ensure the accuracy of all of the Estimated Gain and Loss information. Please contact your Financial Advisor with any questions or to correct any information.

For Managed Futures and alternative investments, there are likely to be restrictions on redemptions, please see applicable offering document.

With respect to estimated gains and losses for listed equity options, Morgan Stanley has 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. Morgan Stanley has made calculations using what appear to be off-setting positions; no assurance can be given that these positions are intended to off-set each other or that they are not intended to off-set other securities positions, in which case the analysis may be different. Morgan Stanley has obtained pricing information from independent sources it believes to be reliable. No assurance can be given that the values given are accurate. Values are subject to change and are as of a given point in time only. Past performance does not guarantee future returns.

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STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING JANUARY 31, 2007

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

Yields on Bank Deposits and Money Market Funds

BANK DEPOSIT PROGRAM

A Bank Deposit Program APY of 4.57% was in effect for your deposits at the statement ending date. This APY may be different than the APY in effect during the statement period. For current Bank Deposit Program or Money Market Fund yields, go to <http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures/BSARateReaderTier.asp>

Income Summary	This Month	Year-to-Date		This Month	Year-to-Date
Dividends/Bank Deposit Interest	35.27	35.27	Interest	10,178.53	10,178.53
Accrued Bond Interest	.00	.00	Margin Interest	.00	.00

Margin Loan Rates

Loan Amount	Rate	
\$0 - 9,999	12.125%	EFFECTIVE DATE: June 30, 2006
\$10,000 - 24,999	12.000%	PREVIOUS CHANGE: May 11, 2006
\$25,000 - 49,999	11.000%	
\$50,000 - 99,999	10.875%	
\$100,000 - 499,999	9.625%	
\$500,000 - 999,999	9.375%	
\$1,000,000 - 4,999,999	8.750%	
\$5,000,000 - 9,999,999	8.250%	
\$10,000,000 & over	8.000%	

Messages

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 Customer Service at (800) 869-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 with any account-related concerns.

STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING JANUARY 31, 2007

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

Asset Summary	Value	Est Yrly Income
Cash	0.00	
Total Account Valuation	\$13,147,782.48	\$542,975.00

DAILY ACTIVITY DETAILS

Date	Activity	Quantity	Description	Price	Amount	Balance
			CLOSING BALANCE AS OF 12/31			.00
1/02	Taxable Interest		CAPITAL JUMBO CD 4550 07SP04		+386.44	+386.44
1/04	Taxable Interest		FNMA 3500 *09SP04		+1,458.34	+1,844.78
1/05	Auto Investment		BANK DEPOSIT PROGRAM		-1,844.78	.00
1/10	Taxable Interest		M&I BANK FSB FID 4000 *10JL10		+1,795.89	+1,795.89
1/11	Auto Investment		BANK DEPOSIT PROGRAM		-1,795.89	.00
1/13	Taxable Interest		NATL REP BANK CD 4900 11JA13		+1,976.11	+1,976.11
1/14	Taxable Interest		FRONTIER BANK FID 4500 *10SP14		+343.97	+2,320.08
1/15	Taxable Interest		FHLMC MTN 5250 *11DE15		+306.25	+2,626.33
1/16	Taxable Interest		BANKWEST INC CD 5500 *09PB17		+443.77	+3,070.10
1/17	Auto Investment		BANK DEPOSIT PROGRAM		-3,070.10	.00
1/23	Taxable Interest		TOWER BANK CD 4150 10PB23		+334.84	+334.84
1/24	Journal In		REVERSE WIRED FUND FEE		+30.00	+364.84
1/28	Taxable Interest		GEAUGA SVGS BK CD 4700 *11JA28		+379.22	+744.06
	Taxable Interest		CITIZENS NB CD 5750 *11JL28		+2,753.70	+3,497.76
1/29	Auto Investment		BANK DEPOSIT PROGRAM		-364.84	+3,132.92
1/30	Auto Investment		BANK DEPOSIT PROGRAM		-35.27	+3,097.65
	Auto Investment		BANK DEPOSIT PROGRAM		-3,132.92	-35.27
	Taxable Interest		DISCOVER BANK		+35.27	.00
			(Period 12/29-01/30)			.00
			CLOSING BALANCE AS OF 1/31			+ .00

Additional information concerning these transactions is available upon request.

STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING JANUARY 31, 2007

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

Your Investments				Current Price	Value	Est Yrly Income	Current Yield
100000	CAPITAL JUMBO CD	4550	07SP04	99.470	99,470.00	4,550.00	4.57%
700000	US TSY NOTE	3000	07NV15	98.395	688,765.00	21,000.00	3.04%
925000	FNMA	5750	08FB15	100.469	929,338.25	53,187.50	5.72%
1300000	FHLMC MTN	3000	08MH24	97.521	1,267,773.00	39,000.00	3.07%
850000	US TSY NOTE	4750	08NV15	99.645	846,982.50	40,375.00	4.76%
350000	US TSY NOTE	3000	09FB15	96.297	337,039.50	10,500.00	3.11%
850000	US TSY NOTE	2625	09MH15	95.465	811,452.50	22,312.50	2.74%
1200000	FHLC	5500	*09AP24	99.844	1,198,128.00	66,000.00	5.50%
500000	US TSY NOTE	4875	09MY15	99.930	499,650.00	24,375.00	4.87%
450000	FNMA	3270	*09JN16	95.938	431,721.00	14,715.00	3.40%
500000	FNMA	3500	*09SP04	96.094	480,470.00	17,500.00	3.64%
500000	FNMA	2900	*09OC14	99.500	497,500.00	14,500.00	2.91%
525000	FNMA	40000	*09DE17	98.219	515,649.75	21,000.00	4.07%
100000	FFCB	4950	*10FB01	98.813	98,813.00	4,950.00	5.00%
150000	FNMA	45000	*10AU26	98.719	148,078.50	6,750.00	4.55%
250000	FNMA	50000	*10DE02	99.031	247,577.50	12,500.00	5.04%
500000	US TSY NOTE	4875	11MY31	100.215	501,075.00	24,375.00	4.86%
70000	FHLMC MTN	5250	*11DE15	99.284	69,498.80	3,675.00	5.28%
170000	FNMA	3750	*12MH16	98	166,600.00	6,375.00	3.82%
Total Value of Priced Investments					\$13,132,779.75	\$542,975.00	4.13%

Custodial Holdings	Symbol	Current Price	Date	Value	Custodian	Dividend Cap Gains Option	Fund Plan Number
Bank Deposit Program #							
DISCOVER BANK				\$15,002.73			
Total Bank Deposits				\$15,002.73			
Total Custodial Holdings				\$15,002.73			

Bank Deposits are at Morgan Stanley Bank and Discover Bank (Members FDIC), affiliates of Morgan Stanley DW Inc.
Bank deposits are eligible for FDIC insurance up to applicable limits. Not SIPC insured.

STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING JANUARY 31, 2007

PAGE 1 OF 10

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Householding Anniv. Date:
03/08/2003
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ASSET DETAILS

Your Investments				Current Price	Value	Est Yrly Income	Current Yield
85000	IRWIN UNION BK CD	5050	08MH24	99.467	84,546.95	4,292.50	5.07%
90000	FIRST BANK CA CD	4250	08AP28	98.500	88,650.00	3,825.00	4.31%
95000	DISCOVER BANK CD	3500	08DE03	96.601	91,770.95	3,325.00	3.62%
95000	BANKWEST INC CD	5500	*09FB17	100.059	95,056.05	5,225.00	5.49%
95000	WEBSTER BANK CD	3300	09MH03	95.797	91,007.15	3,135.00	3.44%
95000	1ST SIGNATURE CD	3300	09MH03	95.797	91,007.15	3,135.00	3.44%
95000	LEHMAN BROS CD	3500	09MH03	96.184	91,374.80	3,325.00	3.63%
95000	CIT BANK CD	4900	09MH06	98.891	93,946.45	4,655.00	4.95%
95000	AMERICAN WEST CD	5400	09JN29	99.857	94,864.15	5,130.00	5.40%
85000	NEVADA SEC BK CD	4600	09AU24	97.980	83,283.00	3,910.00	4.69%
95000	PROVIDIAN NATL CD	4000	09SP15	100.126	95,119.70	3,800.00	3.99%
95000	COLE TAYLOR FID	42500	*09NV24	98.225	93,313.75	4,037.50	4.32%
95000	SOVEREIGN BK CD	45000	*09DE09	99.077	94,123.15	4,275.00	4.54%
95000	TOWER BANK CD	4150	10FB23	96.357	91,539.15	3,942.50	4.30%
95000	NEW SOUTH FSB CD	40000	*10MY12	97.574	92,695.30	3,800.00	4.09%
95000	CAROLINA FIRST CD	40000	*10MY26	97.875	92,981.25	3,800.00	4.08%
95000	M&I BANK FSB FID	4000	*10JL10	98.154	93,246.30	3,800.00	4.07%
90000	FRONTIER BANK FID	4500	*10SP14	96.896	87,206.40	4,050.00	4.64%
95000	WASHINGTON MUT CD	4400	10SP21	96.583	91,753.85	4,180.00	4.55%
80000	NATL REP BANK CD	4900	11JA13	98.071	78,456.80	3,920.00	4.99%
95000	GEAUGA SVGS BK CD	4700	*11JA28	97.318	92,452.10	4,465.00	4.82%
85000	NOVA SVGS BK CD	4500	11JN08	96.432	81,967.20	3,825.00	4.66%
95000	CITIZENS NB CD	5750	*11JL28	101.273	96,209.35	5,462.50	5.67%
95000	LASALLE BANK CD	5150	11AU09	98.917	93,971.15	4,892.50	5.20%
95000	FIRESIDE BANK	5300	11AU09	99.510	94,534.50	5,035.00	5.32%
95000	BANKWEST PIERR CD	5500	*11AU30	99.362	94,393.90	5,225.00	5.53%
85000	GUNNISON BANK CD	5050	11OC31	98.495	83,720.75	4,292.50	5.12%
95000	COUNTRYWIDE BK CD	6000	*13AU23	99.846	94,853.70	5,700.00	6.00%
750000	US TSY NOTE	2250	07FB15	99.887	749,152.50	16,875.00	2.25%

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