MEMO

TO: Board of Directors

FROM: Finance Manager

SUBJECT: INVESTMENT REPORT PERIOD ENDING JUNE 30, 2009

DATE: July 31, 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 May 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

Karen Alvarez
Finance Manager

/KA
Attachment

Attachment 1

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

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

July 28, 2009

SAN LORENZO VALLEY WATE

DISTRICT MANAGER
13060 HIGHWAY 9

PMIA Average Monthly Yields

Account Number: 90-44-001

Transactions

Tran Type Definitions

June 2009 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
6/5/2009	6/3/2009	RW	1225723	KAREN ALVAREZ	-170,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	454,621.10
Total Withdrawal:	-170,000.00	Ending Balance:	284,621.10

State of California
Pooled Money Investment Account
Market Valuation
6/30/2009

Description	Carrying Cost Plus Accrued Interest Purch.	Amortized Cost	Fair Value	Accrued Interest
United States Treasury:				
Bills	$ 9,424,096,404.86	$ 9,471,037,778.34	$ 9,483,166,000.00	NA
Notes	$ 3,969,614,275.72	$ 3,963,136,090.42	$ 3,962,440,362.00	$ 16,014,185.20
Federal Agency:				
SBA	$ 550,472,923.43	$ 550,463,248.69	$ 538,418,039.01	$ 571,504.21
MBS-REMICs	$ 996,073,150.68	$ 996,073,150.68	$ 1,029,578,325.78	$ 4,734,814.03
Debentures	$ 1,961,747,605.43	$ 1,961,747,605.43	$ 1,993,844,060.00	$ 10,016,635.24
Debentures FR	$ 4,598,611,595.69	$ 4,598,611,595.69	$ 4,602,252,470.00	$ 4,298,040.52
Discount Notes	$ 1,948,991,916.73	$ 1,949,619,361.12	$ 1,949,735,000.00	NA
FHLMC PC	$ 138.50	$ 138.50	$ 140.66	$ 2.48
GNMA	$ 125,161.03	$ 125,161.03	$ 139,499.73	$ 1,236.40
IBRD Deb FR	$ 300,000,000.00	$ 300,000,000.00	$ 298,305,000.00	$ 750,482.00
CDs and YCDs FR	$ -	$ -	$ -	$ -
Bank Notes	$ -	$ -	$ -	$ -
CDs and YCDs	$ 4,575,028,550.79	$ 4,575,028,550.79	$ 4,575,024,080.75	$ 2,035,175.01
Commercial Paper	$ 2,113,859,787.52	$ 2,113,937,565.28	$ 2,113,698,499.99	NA
Corporate:				
Bonds FR	$ 270,721,149.23	$ 270,721,149.23	$ 269,860,903.64	$ 214,420.67
Bonds	$ 33,232,164.49	$ 33,232,164.49	$ 33,531,827.80	$ 391,075.00
Repurchase Agreements	$ -	$ -	$ -	NA
Reverse Repurchase	$ -	$ -	$ -	$ -
Time Deposits	$ 5,556,000,000.00	$ 5,556,000,000.00	$ 5,556,000,000.00	NA
AB 55 & GF Loans	$ 14,444,693,556.67	$ 14,444,693,556.67	$ 14,444,693,556.67	NA
TOTAL	$ 50,743,268,380.77	$ 50,784,427,116.36	$ 50,850,687,766.03	$ 39,027,570.76

Fair Value Including Accrued Interest $ 50,889,715,336.79

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

The value of each participating dollar equals the fair value divided by the amortized cost (**1.001304743**). As an example: if an agency has an account balance of $20,000,000.00, then the agency would report its participation in the LAIF valued at $20,026,094.87 or $20,000,000.00 x **1.001304743**.

BILL LOCKYER
TREASURER
STATE OF CALIFORNIA

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

	May 31, 2009		
TYPE OF SECURITY	AMOUNT	PERCENT OF PORTFOLIO	DIFFERENCE IN PERCENT OF PORTFOLIO FROM PRIOR MONTH
Government			
Bills	$ 8,599,248	15.79	+1.20
Bonds	0	0.00	0
Notes	4,537,199	8.33	+0.97
Strips	0	0.00	0
Total Government	$ 13,136,447	24.12	+2.17
Federal Agency Debentures	$ 8,157,664	14.98	+0.60
Certificates of Deposit	2,800,026	5.14	-1.67
Bank Notes	0	0.00	-0.65
Bankers' Acceptances	0	0.00	0
Repurchases	0	0.00	0
Federal Agency Discount Notes	4,179,044	7.67	-2.94
Time Deposits	5,918,000	10.87	+0.62
GNMAs	128	0.00	0
Commercial Paper	399,843	0.73	-2.84
FHLMC/Remics	1,011,495	1.86	+0.19
Corporate Bonds	328,948	0.60	-0.01
AB 55 Loans	6,670,038	12.25	+1.32
GF Loans	11,562,400	21.23	+3.15
Other	300,000	0.55	+0.06
Reversed Repurchases	0	0.00	0
Total (All Types)	$ 54,464,033	100.00	

NOW Account Balance	$ 21,228,236

INVESTMENT ACTIVITY

	MAY 2009		APRIL 2009	
	NUMBER	AMOUNT	NUMBER	AMOUNT
Pooled Money	175	$ 8,731,989	299	$ 14,953,827
Other	34	1,385,458	22	350,232
Time Deposits	167	3,693,700	236	5,779,200
Totals	376	$ 13,811,147	557	$ 21,083,259
PMIA Monthly Average Effective Yield	1.530		1.607	
Year to Date Yield Last Day of Month	2.284		2.353	

POOLED MONEY INVESTMENT ACCOUNT

SUMMARY OF INVESTMENT DATA

A COMPARISON OF MAY 2009 WITH MAY 2008

(DOLLARS IN THOUSANDS)

		MAY 2009		MAY 2008		CHANGE
Average Daily Portfolio	$	55,514,182	$	72,978,722	$	-17,464,540
Accrued Earnings	$	72,151	$	189,902	$	-117,751
Effective Yield		1.530		3.072		-1.542
Average Life-Month End (In Days)		186		200		-14
Total Security Transactions						
Amount	$	8,731,989	$	33,027,971	$	-24,295,982
Number		175		686		-511
Total Time Deposit Transactions						
Amount	$	3,693,700	$	3,494,000	$	+199,700
Number		167		148		+19
Average Workday Investment Activity	$	621,284	$	1,739,141	$	-1,117,857
Prescribed Demand Account Balances						
For Services	$	1,009,662	$	781,346	$	+228,316
For Uncollected Funds	$	133,204	$	160,836	$	-27,632
NOW Account						
Average Balance	$	16,503,236	$	0	$	+16,503,236

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)
November 2008	$60,842,357	2.568	228
November 2007	$61,562,908	4.962	208
Change	-$720,551	-2.394	+20
December 2008	$59,947,044	2.353	223
December 2007	$59,946,588	4.801	204
Change	$456	-2.448	+19
January 2009	$60,699,063	2.046	215
January 2008	$63,086,247	4.620	197
Change	-$2,387,184	-2.574	+18
February 2009	$59,295,343	1.869	205
February 2008	$65,652,081	4.161	215
Change	-$6,356,738	-2.292	-10
March 2009	$57,504,615	1.822	197
March 2008	$63,771,427	3.777	205
Change	-$6,266,812	-1.955	-8
April 2009	$59,011,679	1.607	172
April 2008	$65,233,836	3.400	201
Change	$6,222,157	-1.793	-29
May 2009	$55,514,182	1.530	186
May 2008	$72,978,722	3.072	200
Change	-$17,464,540	-1.542	-14
June 2009	$48,048,110	1.377	235
June 2008	$72,545,195	2.894	212
Change	-$24,497,085	-1.517	+23

Bill Lockyer, State Treasurer

Inside the State Treasurer's Office

Local Agency Investment Fund (LAIF)

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

PMIA Performance Report

Date	Daily Yield	Quarter to Date Yield	Average Maturity (in days)
6/29/2009	1.21	1.52	214
6/30/2009	1.12	1.52	235
7/1/2009	1.13	1.13	239
7/2/2009	1.12	1.13	241
7/3/2009	1.12	1.12	238
7/4/2009	1.12	1.12	238
7/5/2009	1.12	1.12	238
7/6/2009	1.09	1.12	239
7/7/2009	1.08	1.11	233
7/8/2009	1.07	1.11	228
7/9/2009	1.07	1.10	227
7/10/2009	1.07	1.10	227
7/11/2009	1.07	1.09	227
7/12/2009	1.07	1.09	227

LAIF Performance Report

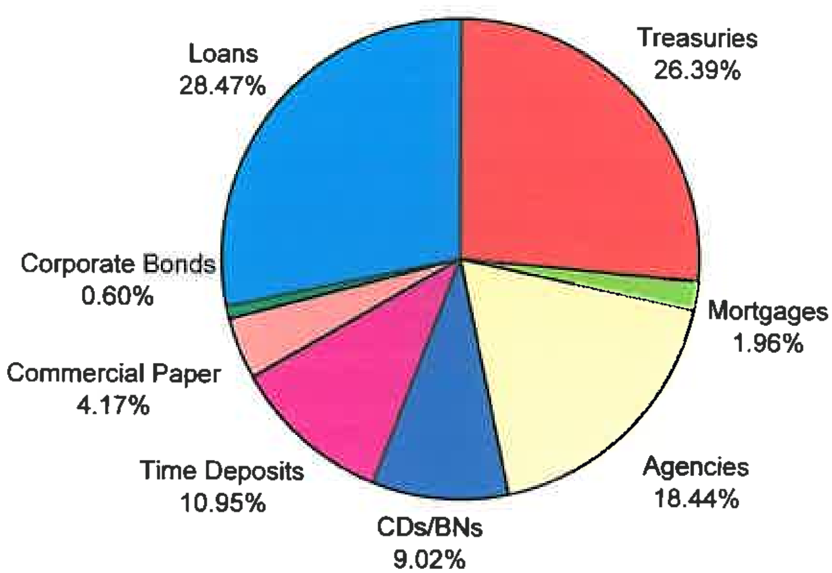
Quarter ending 6/30/2009

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

PMIA Average Monthly Effective Yields

Jun 2009	**1.377%**
May 2009	1.530%
Apr 2009	1.607%

Pooled Money Investment Account
Portfolio Composition
$50.7 Billion
06/30/09



MorganStanley
SmithBarney

STATEMENT OF YOUR ACCOUNT

FOR MONTH ENDING JUNE 30, 2009

Attachment 2

Your Financial Advisor
BARGETTO HANSON GROUP
MORGAN STANLEY SMITH BARNEY
6004 LA MADRONA DR
SANTA CRUZ, CA 95060
(831) 440-5200

Account Number
136 022962 062

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

Access your account at:
www.morganstanley.com/online

ASSET DETAILS

Your Investments				Current Price	Value	Est Yrly Income	Current Yield
30000	NEVADA SEC BK CD	4600	09AU24	100.488	30,146.40	1,380.00	4.57%
95000	JPMC (WAMU NV) CD	4000	09SP15	100.851	95,808.45	3,800.00	3.96%
95000	TOWER BANK CD	4150	10FB23	101.885	96,790.75	3,942.50	4.07%
95000	FIRST BUSINESS CD	5000	10MY07	103.045	97,892.75	4,750.00	4.85%
95000	COWLITZ BANK CD	4300	10JN30	102.724	97,587.80	4,085.00	4.18%
95000	NEW SOUTH FED CD	4000	10SP13	102.606	97,475.70	3,800.00	3.89%
95000	JPMC (WAMU NV) CD	4400	10SP21	103.094	97,939.30	4,180.00	4.26%
80000	NATL REP BANK CD	4900	11JA13	104.034	83,227.20	3,920.00	4.70%
95000	EVERBANK FLA CD	5000	11MY09	104.391	99,171.45	4,750.00	4.78%
95000	LEADERS BANK CD	2250	11MY09	99.475	94,501.25	2,137.50	2.26%
95000	ANCHOR BANK CD	2300	11MY09	99.566	94,587.70	2,185.00	2.31%
95000	CITIZENS ST BK CD	2300	11MY13	99.542	94,564.90	2,185.00	2.31%
95000	MACATAWA BANK CD	4400	11MY20	103.333	98,166.35	4,180.00	4.25%
85000	NOVA SVGS BK CD	4500	11JN08	103.479	87,957.15	3,825.00	4.34%
95000	LASALLE BANK CD	5150	11AU09	104.847	99,604.65	4,892.50	4.91%
95000	FIRESIDE BANK	5300	11AU09	105.151	99,893.45	5,035.00	5.04%
95000	MERIDIAN BANK CD	2650	11SP06	99.701	94,715.95	2,517.50	2.65%
95000	LEGENDS BANK CD	4500	11SP19	103.606	98,425.70	4,275.00	4.34%
85000	GUNNISON BANK CD	5050	11OC31	104.853	89,125.05	4,292.50	4.81%
95000	KEY BANK CD	2400	11NV07	98.923	93,976.85	2,280.00	2.42%
95000	BAYTREE NATL BK &	4500	11DE27	103.706	98,520.70	4,275.00	4.33%
95000	GREAT SOUTHERN BK	2750	12JA20	99.445	94,472.75	2,612.50	2.76%
95000	ATLANTIC STHN CD	2600	12JA23	99.062	94,108.90	2,470.00	2.62%
95000	BMW BANK NA CD	4000	12MH19	102.417	97,296.15	3,800.00	3.90%
95000	NATIOANL CITY CD	4000	12AP02	102.400	97,280.00	3,800.00	3.90%
95000	CAPITAL ONE BK	4000	12AP02	102.400	97,280.00	3,800.00	3.90%
95000	MONROE B&T CD	3900	12AP11	102.142	97,034.90	3,705.00	3.81%
95000	FRANKLIN TEMP BK	4000	12AP18	102.396	97,276.20	3,800.00	3.90%
95000	BANK NORTHN CD	4200	12MY07	102.888	97,743.60	3,990.00	4.08%
95000	OCEANIC BK CD	5000	12MY09	105.082	99,827.90	4,750.00	4.75%

MorganStanley
SmithBarney

STATEMENT OF YOUR ACCOUNT

FOR MONTH ENDING JUNE 30, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Your Investments

				Current Price	Value	Est Yrly Income	Current Yield
95000	GOLF SVGS BANK CD	5000	12MY09	105.082	99,827.90	4,750.00	4.75%
95000	FRIEDNDSHIP ST CD	5000	12MY09	105.082	99,827.90	4,750.00	4.75%
95000	ACACIA FED SVG CD	4200	12MY16	102.878	97,734.10	3,990.00	4.08%
95000	BRANCH B&T CO CD	4250	12MY29	103.001	97,850.95	4,037.50	4.12%
95000	WESTBRIDGE BK CD	4450	12JN25	103.555	98,377.25	4,227.50	4.29%
95000	GE MONEY BK	4700	12SP18	104.318	99,102.10	4,465.00	4.50%
95000	FLAGSTAR BANK CD	4750	12SP19	104.505	99,279.75	4,512.50	4.54%
95000	BANK WHITMAN CD	3250	13MH11	99.452	94,479.40	3,087.50	3.26%
95000	JPMC (WAMU UT) CD	4250	13MH28	102.866	97,722.70	4,037.50	4.13%
95000	ADVANTA BANK CD	4250	13AP02	102.862	97,718.90	4,037.50	4.13%
95000	ALLY BANK CD	3200	13AP03	99.203	94,242.85	3,040.00	3.22%
95000	CIT BANK CD	3250	13AP08	99.361	94,392.95	3,087.50	3.27%
95000	WACHOVIA BK CD	4250	13AP09	102.855	97,712.25	4,037.50	4.13%
95000	PLANTERSFIRST CD	4000	13AP11	101.995	96,895.25	3,800.00	3.92%
95000	INVESTORS CD	4050	13AP11	102.171	97,062.45	3,847.50	3.96%
95000	SAEHAN BANK CD	3100	13AP22	98.780	93,841.00	2,945.00	3.13%
95000	GOLDMAN SACHS CD	4450	13AP30	103.543	98,365.85	4,227.50	4.29%
95000	CAPMARK BANK CD	4500	13MY28	103.707	98,521.65	4,275.00	4.33%
95000	PROV BK MARYLAND	4650	13JN20	104.244	99,031.80	4,417.50	4.46%
95000	WACHOVIA BK CD	5050	13SP12	105.775	100,486.25	4,797.50	4.77%
95000	CAP ONE NA	4950	13SP17	105.392	100,122.40	4,702.50	4.69%
95000	MS BANK CD	5050	13NV05	105.812	100,521.40	4,797.50	4.77%
95000	BROADWAY BANK CD	3500	14JA16	99.429	94,457.55	3,325.00	3.52%
95000	HILLCREST BANK CD	3500	14JA21	99.413	94,442.35	3,325.00	3.52%
95000	SALLIE MAE BK CD	3500	14JA23	99.409	94,438.55	3,325.00	3.52%
95000	AMEX BANK FSB CD	3500	14FB04	99.370	94,401.50	3,325.00	3.52%
95000	AMEX CENTURION BK	3500	14FB11	99.348	94,380.60	3,325.00	3.52%
95000	AMCORE BANK CD	3500	14FB12	99.344	94,376.80	3,325.00	3.52%
95000	TOYOTA FINL SVGS	3450	14AP16	98.917	93,971.15	3,277.50	3.48%
95000	NATIONAL BANK CD	3250	14MY20	98.209	93,298.55	3,087.50	3.30%
95000	DISCOVER BANK CD	5050	14SP17	105.955	100,657.25	4,797.50	4.76%
95000	REPUBLIC BANK CD	3500	15JA29	98.399	93,479.05	3,325.00	3.55%
95000	FIRST NATL BK CD	3700	15MY07	99.206	94,245.70	3,515.00	3.72%
95000	GE CAPITAL FINL	5300	15NV06	106.251	100,938.45	5,035.00	4.98%
750000	US TSY NOTE	4750	10FB15	102.695	770,212.50	35,625.00	4.62%
500000	US TSY NOTE	4875	11MY31	107.188	535,940.00	24,375.00	4.54%
250000	TENN VALLEY AUTH	00000	13NV01	86.919	217,297.50		
100000	WORLD JUMBO CD	5000	13NV26	103.400	103,400.00	5,000.00	4.83%
800000	FHLMC MTN	2850	*14JA02	98.186	785,488.00	22,800.00	2.90%
450000	FFCB	3250	*15AP08	98.656	443,952.00	14,625.00	3.29%
125000	FFCB	4000	*17JA23	98.500	123,125.00	5,000.00	4.06%
650000	FHLMC MTN	2000	*19AP29	98.253	638,644.50	13,000.00	2.03%
100000	FNMA	4000	*24JN10	98.719	98,719.00	4,000.00	4.05%
Total Value of Priced Investments					$9,825,382.95	$366,697.50	3.73%

STATEMENT OF YOUR ACCOUNT
FOR MONTH ENDING JUNE 30, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Custodial Holdings

	Symbol	Current Price	Date	Value	Custodian	Dividend Cap Gains Option	Fund Plan Number
Bank Deposits #							
MORGAN STANLEY TRUST				$13,432.02			
Total Bank Deposits				$13,432.02			
Total Custodial Holdings				$13,432.02			

Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney. Global Currency deposits are at Morgan Stanley Bank, N.A. Bank Deposits and Global Currency deposits are eligible for FDIC insurance up to applicable limits. Not SIPC insured. Global Currency Time Deposits are subject to a penalty if withdrawn prior to maturity.

Asset Summary

	Value	Est Yrly Income
Cash	2,310.19	
Total Account Valuation	$9,841,125.16	$366,697.50

If you hold Auction Rate Securities, please see the Message Center for important information regarding the pricing of these securities.

DAILY ACTIVITY DETAILS

Date	Activity	Quantity	Description	Price	Amount	Balance
			CLOSING BALANCE AS OF 5/31			12,469.90
6/01	Auto Investment		BANK DEPOSIT PROGRAM		-12,469.90	.00
6/02	Taxable Interest		WORLD JUMBO CD 5000 13NV26		+424.66	+424.66
6/05	Taxable Interest		MERIDIAN BANK CD 2650 11SP06		+213.81	+638.47
6/06	Taxable Interest		KEY BANK CD 2400 11NV07		+193.64	+832.11
6/07	Taxable Interest		FIRST NATL BK CD 3700 15MY07		+298.53	+1,130.64
6/08	Taxable Interest		LEADERS BANK CD 2250 11MY09		+181.54	+1,312.18
	Taxable Interest		NOVA SVGS BK CD 4500 11JN08		+1,907.26	+3,219.44
	Auto Investment		BANK DEPOSIT PROGRAM		-638.47	+2,580.97
6/09	Sold	55000	NEVADA SEC BK CD 4600 09AU24	100.633	+56,070.71	+58,651.68
			AMOUNT INCLUDES ACCRUED		+.00	
			INTEREST OF $727.81		+.00	

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

DAILY ACTIVITY DETAILS

Date	Activity	Quantity	Description	Price	Amount	Balance
6/09	Taxable Interest		OCEANIC BK CD 5000 12MY09		+403.42	+59,055.10
	Taxable Interest		GOLF SVGS BANK CD 5000 12MY09		+403.42	+59,458.52
	Taxable Interest		FRIEDNDSHIP ST CD 5000 12MY09		+403.42	+59,861.94
	Auto Redemption		BANK DEPOSIT PROGRAM		+46,636.69	+106,498.63
	Taxable Interest		MORGAN STANLEY TRUST		+2.77	+106,501.40
6/10	Bought	100000	FNMA 4000 *24JN10	100.00	-100,005.25	+6,496.15
	Auto Investment		BANK DEPOSIT PROGRAM		-6,496.15	.00
6/11	Taxable Interest		MONROE B&T CD 3900 12AP11		+314.67	+314.67
	Taxable Interest		PLANTERSFIRST CD 4000 13AP11		+322.74	+637.41
	Taxable Interest		INVESTORS CD 4050 13AP11		+326.77	+964.18
6/15	Auto Investment		BANK DEPOSIT PROGRAM		-964.18	.00
6/16	Taxable Interest		BROADWAY BANK CD 3500 14JA16		+282.40	+282.40
6/18	Taxable Interest		FRANKLIN TEMP BK 4000 12AP18		+322.74	+605.14
	Taxable Interest		LEGENDS BANK CD 4500 11SP19		+363.08	+968.22
6/19	Taxable Interest		FLAGSTAR BANK CD 4750 12SP19		+383.25	+1,351.47
6/20	Taxable Interest		NATIONAL BANK CD 3250 14MY20		+262.23	+1,613.70
	Taxable Interest		MACATAWA BANK CD 4400 11MY20		+355.01	+1,968.71
	Taxable Interest		PROV BK MARYLAND 4650 13JN20		+2,202.70	+4,171.41
6/21	Taxable Interest		SAEHAN BANK CD 3100 13AP22		+250.12	+4,421.53
	Taxable Interest		HILLCREST BANK CD 3500 14JA21		+282.40	+4,703.93
6/22	Taxable Interest		ATLANTIC STHN CD 2600 12JA23		+209.78	+4,913.71
	Auto Investment		BANK DEPOSIT PROGRAM		-1,351.47	+3,562.24
6/23	Taxable Interest		TOWER BANK CD 4150 10FB23		+334.84	+3,897.08
	Taxable Interest		WESTBRIDGE BK CD 4450 12JN25		+359.05	+4,256.13
	Auto Investment		BANK DEPOSIT PROGRAM		-3,562.24	+693.89
6/25	Taxable Interest		BAYTREE NATL BK & 4500 11DE27		+363.08	+1,056.97
6/26	Auto Investment		BANK DEPOSIT PROGRAM		-1,056.97	.00
6/29	Auto Investment		BANK DEPOSIT PROGRAM		-1.01	-1.01
	Taxable Interest		MORGAN STANLEY TRUST		+1.01	.00
			(Period 05/29-06/29)			.00
6/30	Taxable Interest		REPUBLIC BANK CD 3500 15JA29		+273.29	+273.29
	Taxable Interest		COWLITZ BANK CD 4300 10JN30		+2,036.90	+2,310.19
			CLOSING BALANCE AS OF 6/30			+2,310.19

Additional information concerning these transactions is available upon request.

STATEMENT OF YOUR ACCOUNT

FOR MONTH ENDING JUNE 30, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Yields on Bank Deposits and Money Market Funds

BANK DEPOSITS

A Bank Deposits APY of 0.20% was in effect for your Bank Deposits at the statement ending date.

Income Summary

	This Month	Year-to-Date		This Month	Year-to-Date
Dividend/Bank/Currency Dep Int	3.78	316.60	Interest	13,674.75	225,084.74
Accrued Bond Interest	727.81	5,765.67	Margin Interest	.00	.00

Tax Information

	This Month	Year-to-Date
U.S. Treasury Coupon Interest	.00	42,187.50

Messages

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.

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.

Consolidated Statement of Financial Condition (in thousands of dollars):
At May 31, 2009 Morgan Stanley & Co. Incorporated had net capital of $11,198,786 which exceeded the Securities and Exchange Commission's minimum requirement by $10,266,540 and included excess net capital of $499,385 of MS Securities Services Inc., a broker-dealer and a guaranteed subsidiary of Morgan Stanley & Co. Incorporated.

A copy of the Morgan Stanley & Co. Incorporated Consolidated Statement of Financial Condition at June 30, 2009 can be viewed online at: www.morganstanley.com/about/ir/shareholder/morganstanley_co_inc.pdf or may be mailed to you at no cost by calling (866) 825-1675, after September 10, 2009.

Morgan Stanley Smith Barney is a member firm of the Financial Industry Regulatory Authority ("FINRA"). As such, we are required to inform you of the availability of a FINRA Investor Brochure, which includes information on the Public Disclosure Program. You may contact the FINRA public hotline at 800-289-9999 or visit the FINRA website at www.finra.org

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Messages

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.

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.

MorganStanley SmithBarney

STATEMENT OF YOUR ACCOUNT

FOR MONTH ENDING JUNE 30, 2009

Your Financial Advisor
BARGETTO HANSON GROUP
MORGAN STANLEY SMITH BARNEY
6004 LA MADRONA DR
SANTA CRUZ, CA 95060
(831) 440-5200

Account Number
136 022962 062

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

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 Total Cost, Unit Cost and Proceeds of eligible equity and options transactions with Choice SelectSM pricing do not include commissions paid on your purchases or sales and therefore may not equal the acquisition price or principal amount of the sale. 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 we make 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 us, for example, securities purchased elsewhere and later transferred to us, 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 Smith Barney, 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, 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 have 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. We have obtained pricing information from independent sources we believe 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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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Unrealized Gain/(Loss)

Security	Rate	Maturity	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	4 3/4	2-15-10	750,000	02-13-07	100.30120 100.06603	752,259.00 750,495.23	770,212.50	19,717.27	Long Term
US TSY NOTE	4 7/8	5-31-11	500,000	07-24-06	100.18805 100.07945	500,940.25 500,397.27	535,940.00	35,542.73	Long Term
Total Treasury Securities						1,253,199.25 1,250,892.50	1,306,152.50	55,260.00	
Federal Agencies									
TENN VALLEY AUTH	.000	11-01-13	250,000	04-14-09	89.03515 89.50417	222,587.88 223,760.44	217,297.50	(6,462.94)	Short Term
FHLMC MTN	2.850	1-02-14	300,000	04-13-09	100.00175 100.00167	300,005.25 300,005.03	294,558.00	(5,447.03)	Short Term
			500,000	05-05-09	100.00105 100.00101	500,005.25 500,005.08	490,930.00	(9,075.08)	Short Term
			800,000		100.00131 100.00126	800,010.50 800,010.11	785,488.00	(14,522.11)	
FFCB	3 1/4	4-08-15	450,000	05-14-09	100.00117 100.00114	450,005.25 450,005.15	443,952.00	(6,053.15)	Short Term
FFCB	4.000	1-23-17	125,000	02-05-09	100.00420 100.00401	125,005.25 125,005.02	123,125.00	(1,880.02)	Short Term
FHLMC MTN	2.000	4-29-19	650,000	04-20-09	100.00081 100.00080	650,005.25 650,005.25	638,644.50	(11,360.75)	Short Term
FNMA	4.000	6-10-24	100,000	06-01-09	100.00525 100.00523	100,005.25 100,005.23	98,719.00	(1,286.23)	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 JUNE 30, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Unrealized Gain/(Loss)			Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
Total Federal Agencies						2,347,619.38 2,348,791.20	2,307,226.00	(41,565.20)	
Total Government Securities						3,600,818.63 3,599,683.70	3,613,378.50	13,694.80	
Certificates of Deposit**									
NEVADA SEC BK CD	4.600	8-24-09	30,000	08-16-05	100.00000 100.00000	30,000.00 30,000.00	30,146.40	146.40	Long Term
JPMC (WAMU NV) CD	4.000	9-15-09	95,000	09-08-04	100.00000 100.00000	95,000.00 95,000.00	95,808.45	808.45	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	96,790.75	1,790.75	Long Term
FIRST BUSINESS CD	5.000	5-07-10	95,000	05-01-07	100.00553 100.00553	95,005.25 95,005.25	97,892.75	2,887.50	Long Term
COWLITZ BANK CD	4.300	6-30-10	95,000	06-27-08	100.00000 100.00000	95,000.00 95,000.00	97,587.80	2,587.80	Long Term
JPMC (WAMU NV) CD	4.400	9-21-10	95,000	09-08-05	100.00000 100.00000	95,000.00 95,000.00	97,939.30	2,939.30	Long Term
NEW SOUTH FED CD	4.000	9-13-10	95,000	09-08-08	100.00000 100.00000	95,000.00 95,000.00	97,475.70	2,475.70	Short 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	83,227.20	3,227.20	Long Term
EVERBANK FLA CD	5.000	5-09-11	95,000	05-01-07	100.00553 100.00553	95,005.25 95,005.25	99,171.45	4,166.20	Long Term

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Unrealized Gain/(Loss)

Security	Rate	Maturity	Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
LEADERS BANK CD	2 1/4	5-09-11	95,000	04-29-09	100.00000 100.00000	95,000.00 95,000.00	94,501.25	(498.75)	Short Term
ANCHOR BANK CD	2.300	5-09-11	95,000	04-29-09	100.00000 100.00000	95,000.00 95,000.00	94,587.70	(412.30)	Short Term
CITIZENS ST BK CD	2.300	5-13-11	95,000	05-01-09	100.00000 100.00000	95,000.00 95,000.00	94,564.90	(435.10)	Short Term
MACATAWA BANK CD	4.400	5-20-11	95,000	11-10-08	100.00000 100.00000	95,000.00 95,000.00	98,166.35	3,166.35	Short 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	87,957.15	2,957.15	Long Term
LASALLE BANK CD	5.150	8-09-11	95,000	07-31-06	100.00000 100.00000	95,000.00 95,000.00	99,604.65	4,604.65	Long Term
FIRESIDE BANK	5.300	8-09-11	95,000	08-01-06	100.00000 100.00000	95,000.00 95,000.00	99,893.45	4,893.45	Long Term
MERIDIAN BANK CD	2.650	9-06-11	95,000	02-23-09	100.00000 100.00000	95,000.00 95,000.00	94,715.95	(284.05)	Short Term
LEGENDS BANK CD	4 1/2	9-19-11	95,000	09-08-08	100.00000 100.00000	95,000.00 95,000.00	98,425.70	3,425.70	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	89,125.05	4,125.05	Long Term
KEY BANK CD	2.400	11-07-11	95,000	04-29-09	100.00000 100.00000	95,000.00 95,000.00	93,976.85	(1,023.15)	Short Term
BAYTREE NATL BK &	4 1/2	12-27-11	95,000	06-20-08	100.00000 100.00000	95,000.00 95,000.00	98,520.70	3,520.70	Long Term
GREAT SOUTHERN BK	2 3/4	1-20-12	95,000	05-06-09	100.00000 100.00000	95,000.00 95,000.00	94,472.75	(527.25)	Short Term

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MorganStanley
SmithBarney

STATEMENT OF YOUR ACCOUNT

FOR MONTH ENDING JUNE 30, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Unrealized Gain/(Loss)

			Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
ATLANTIC STHN CD	2.600	1-23-12	95,000	05-14-09	100.00000 100.00000	95,000.00 95,000.00	94,108.90	(891.10)	Short Term
BMW BANK NA CD	4.000	3-19-12	95,000	03-13-08	100.00000 100.00000	95,000.00 95,000.00	97,296.15	2,296.15	Long Term
NATIOANL CITY CD	4.000	4-02-12	95,000	03-19-08	100.00000 100.00000	95,000.00 95,000.00	97,280.00	2,280.00	Long Term
CAPITAL ONE BK	4.000	4-02-12	95,000	03-26-08	100.00000 100.00000	95,000.00 95,000.00	97,280.00	2,280.00	Long Term
MONROE B&T CD	3.900	4-11-12	95,000	04-04-08	100.00000 100.00000	95,000.00 95,000.00	97,034.90	2,034.90	Long Term
FRANKLIN TEMP BK	4.000	4-18-12	95,000	04-09-08	100.00000 100.00000	95,000.00 95,000.00	97,276.20	2,276.20	Long Term
OCEANIC BK CD	5.000	5-09-12	95,000	05-01-07	100.00553 100.00553	95,005.25 95,005.25	99,827.90	4,822.65	Long Term
GOLF SVGS BANK CD	5.000	5-09-12	95,000	05-01-07	100.00000 100.00000	95,000.00 95,000.00	99,827.90	4,827.90	Long Term
FRIEDNDSHIP ST CD	5.000	5-09-12	95,000	05-01-07	100.00553 100.00553	95,005.25 95,005.25	99,827.90	4,822.65	Long Term
BANK NORTHN CD	4.200	5-07-12	95,000	04-25-08	100.00000 100.00000	95,000.00 95,000.00	97,743.60	2,743.60	Long Term
ACACIA FED SVG CD	4.200	5-16-12	95,000	05-06-08	100.00000 100.00000	95,000.00 95,000.00	97,734.10	2,734.10	Long Term
BRANCH B&T CO CD	4 1/4	5-29-12	95,000	05-19-08	100.00000 100.00000	95,000.00 95,000.00	97,850.95	2,850.95	Long Term
WESTBRIDGE BK CD	4.450	6-25-12	95,000	06-13-08	100.00000 100.00000	95,000.00 95,000.00	98,377.25	3,377.25	Long Term

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STATEMENT OF YOUR ACCOUNT
FOR MONTH ENDING JUNE 30, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Unrealized Gain/(Loss)

Security	Rate	Maturity	Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
FLAGSTAR BANK CD	4 3/4	9-19-12	95,000	09-08-08	100.00000 100.00000	95,000.00 95,000.00	99,279.75	4,279.75	Short Term
GE MONEY BK	4.700	9-18-12	95,000	09-10-08	100.00000 100.00000	95,000.00 95,000.00	99,102.10	4,102.10	Short Term
JPMC (WAMU UT) CD	4 1/4	3-28-13	95,000	03-19-08	100.00000 100.00000	95,000.00 95,000.00	97,722.70	2,722.70	Long Term
BANK WHITMAN CD	3 1/4	3-11-13	95,000	02-24-09	100.00000 100.00000	95,000.00 95,000.00	94,479.40	(520.60)	Short Term
ADVANTA BANK CD	4 1/4	4-02-13	95,000	03-24-08	100.00000 100.00000	95,000.00 95,000.00	97,718.90	2,718.90	Long Term
PLANTERSFIRST CD	4.000	4-11-13	95,000	04-04-08	100.00000 100.00000	95,000.00 95,000.00	96,895.25	1,895.25	Long Term
INVESTORS CD	4.050	4-11-13	95,000	04-07-08	100.00000 100.00000	95,000.00 95,000.00	97,062.45	2,062.45	Long Term
WACHOVIA BK CD	4 1/4	4-09-13	95,000	04-04-08	100.00000 100.00000	95,000.00 95,000.00	97,712.25	2,712.25	Long Term
ALLY BANK CD	3.200	4-03-13	95,000	03-25-09	100.00000 100.00000	95,000.00 95,000.00	94,242.85	(757.15)	Short Term
CIT BANK CD	3 1/4	4-08-13	95,000	04-03-09	100.00000 100.00000	95,000.00 95,000.00	94,392.95	(607.05)	Short Term
SAEHAN BANK CD	3.100	4-22-13	95,000	04-07-09	100.00000 100.00000	95,000.00 95,000.00	93,841.00	(1,159.00)	Short Term
GOLDMAN SACHS CD	4.450	4-30-13	95,000	04-25-08	100.00000 100.00000	95,000.00 95,000.00	98,365.85	3,365.85	Long Term
CAPMARK BANK CD	4 1/2	5-28-13	95,000	05-20-08	100.00000 100.00000	95,000.00 95,000.00	98,521.65	3,521.65	Long Term

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STATEMENT OF YOUR ACCOUNT
FOR MONTH ENDING JUNE 30, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Unrealized Gain/(Loss)			Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
PROV BK MARYLAND	4.650	6-20-13	95,000	06-13-08	100.00000 100.00000	95,000.00 95,000.00	99,031.80	4,031.80	Long Term
WACHOVIA BK CD	5.050	9-12-13	95,000	09-10-08	100.00000 100.00000	95,000.00 95,000.00	100,486.25	5,486.25	Short Term
CAP ONE NA	4.950	9-17-13	95,000	09-08-08	100.00000 100.00000	95,000.00 95,000.00	100,122.40	5,122.40	Short Term
MS BANK CD	5.050	11-05-13	95,000	10-31-08	100.00000 100.00000	95,000.00 95,000.00	100,521.40	5,521.40	Short Term
WORLD JUMBO CD	5.000	11-26-13	100,000	11-18-08	100.00000 100.00000	100,000.00 100,000.00	103,400.00	3,400.00	Short Term
HILLCREST BANK CD	3 1/2	1-21-14	95,000	01-02-09	100.00000 100.00000	95,000.00 95,000.00	94,442.35	(557.65)	Short Term
BROADWAY BANK CD	3 1/2	1-16-14	95,000	01-12-09	100.00000 100.00000	95,000.00 95,000.00	94,457.55	(542.45)	Short Term
SALLIE MAE BK CD	3 1/2	1-23-14	95,000	01-14-09	100.00000 100.00000	95,000.00 95,000.00	94,438.55	(561.45)	Short Term
AMEX CENTURION BK	3 1/2	2-11-14	95,000	02-03-09	100.00000 100.00000	95,000.00 95,000.00	94,380.60	(619.40)	Short Term
AMCORE BANK CD	3 1/2	2-12-14	95,000	02-03-09	100.00000 100.00000	95,000.00 95,000.00	94,376.80	(623.20)	Short Term
AMEX BANK FSB CD	3 1/2	2-04-14	95,000	01-29-09	100.00000 100.00000	95,000.00 95,000.00	94,401.50	(598.50)	Short Term
TOYOTA FINL SVGS	3.450	4-16-14	95,000	04-07-09	100.00000 100.00000	95,000.00 95,000.00	93,971.15	(1,028.85)	Short Term
NATIONAL BANK CD	3 1/4	5-20-14	95,000	05-14-09	100.00000 100.00000	95,000.00 95,000.00	93,298.55	(1,701.45)	Short Term

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MorganStanley
SmithBarney

STATEMENT OF YOUR ACCOUNT
FOR MONTH ENDING JUNE 30, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Unrealized Gain/(Loss)

			Quantity	Date Acquired	Unit Cost Original / Adjusted*	Total Cost Original / Adjusted*	Market Value	Unrealized Gain/(Loss)	Additional Information
DISCOVER BANK CD	5.050	9-17-14	95,000	09-09-08	100.00000 100.00000	95,000.00 95,000.00	100,657.25	5,657.25	Short Term
REPUBLIC BANK CD	3 1/2	1-29-15	95,000	01-12-09	100.00000 100.00000	95,000.00 95,000.00	93,479.05	(1,520.95)	Short Term
FIRST NATL BK CD	3.700	5-07-15	95,000	04-29-09	100.00000 100.00000	95,000.00 95,000.00	94,245.70	(754.30)	Short Term
GE CAPITAL FINL	5.300	11-06-15	95,000	11-04-08	100.00000 100.00000	95,000.00 95,000.00	100,938.45	5,938.45	Short Term
Total Certificates of Deposit						6,080,021.00 6,080,021.00	6,212,004.45	131,983.45	
Totals for positions with cost data available						$9,679,704.70	$9,825,382.95	$145,678.25	
Total Market Value for all positions							$9,825,382.95		

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".

Realized Gain/(Loss)

Short Term

			Quantity	Date Acquired	Date Sold	Total Cost Original / Adjusted*	Proceeds	Realized Gain/(Loss)	Additional Information
FHLB	4 3/4	2-19-15	15889.830	11-06-08	01-08-09	please provide 15,890.66	15,889.83	(.83)	Short Term
FHLB	4 7/8	1-16-13	250,000	06-13-08	01-16-09	250,005.25 250,000.00	250,000.00		
FHLB	4 3/4	2-19-15	39618.640	11-06-08	01-21-09	please provide 39,620.72	39,618.64	(2.08)	Short Term
FHLB	4 3/4	2-19-15	5296.610	11-06-08	01-30-09	please provide 5,296.89	5,296.61	(.28)	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.*

MorganStanley
SmithBarney

STATEMENT OF YOUR ACCOUNT

FOR MONTH ENDING JUNE 30, 2009

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 062

Realized Gain/(Loss)

			Quantity	Date Acquired	Date Sold	Total Cost Original / Adjusted*	Proceeds	Realized Gain/(Loss)	Additional Information
FHLB	4 3/4	2-19-15	100,000	11-06-08	02-17-09	31,781.33	31,779.66	(1.67)	Short Term
NEW FRONTIER CD	4 3/4	11-07-12	95,000	10-31-08	04-17-09	95,000.00	95,000.00		
Sub Total Short Term						$437,589.60	$376,779.66	($4.86)	
Long Term									
AMERICAN WEST CD	5.400	6-29-09	10,000	06-19-06	03-04-09	9,975.00			Long Term
						10,000.00	10,103.35	103.35	
AMERICAN WEST CD	5.400	6-29-09	85,000	06-19-06	05-06-09	85,000.00	85,000.00		
CIT BANK CD	4.900	3-06-09	95,000	02-22-06	03-06-09	95,000.00	95,000.00		
FHLMC MTN	4.000	8-15-14	1100,000	01-31-08	05-05-09	1,100,000.00	1,100,000.00		
FIRSTBANK FINL CD	1 3/4	3-19-12	95,000	03-11-08	03-24-09	95,000.00	95,000.00		
FNMA	4.000	9-04-15	1300,000	02-27-08	04-13-09	1,300,000.00	1,300,000.00		
LEHMAN BROS CD	3 1/2	3-03-09	95,000	02-25-04	03-03-09	95,000.00	95,000.00		
NEVADA SEC BK CD	4.600	8-24-09	55,000	08-16-05	06-09-09	54,995.00			Long Term
						55,000.00	55,342.90	342.90	
US TSY NOTE	3.000	2-15-09	150,000	02-27-04	02-03-09	151,059.00			Long Term
						150,007.41	149,994.75	(12.66)	
US TSY NOTE	3.000	2-15-09	200,000	02-27-04	02-04-09	201,412.00			Long Term
						200,008.26	200,120.55	112.29	
US TSY NOTE	4 7/8	5-15-09	500,000	07-24-06	05-13-09	501,225.25			
						500,000.00	500,000.00		
WEBSTER BANK CD	3.300	3-03-09	95,000	02-25-04	03-03-09	95,000.00	95,000.00		
1ST SIGNATURE CD	3.300	3-03-09	95,000	02-25-04	03-03-09	95,000.00	95,000.00		
Sub Total Long Term						$3,875,015.67	$3,875,561.55	$545.88	
Totals for closing transactions with cost data available						$4,312,605.27	$4,252,341.21	$541.02	
Total Proceeds							$4,313,146.29		

Summary

	Short Term	Long Term	Total
Unrealized gain	$48,575.35	$154,291.80	$202,867.15
Unrealized (loss)	($57,188.90)	$0.00	($57,188.90)
Realized gain YTD	$0.00	$558.54	$558.54
Realized (loss) **YTD**	($4.86)	($12.66)	($17.52)

**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.*

MorganStanley
SmithBarney

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
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, 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)

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 send 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.

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.

Dividend/ Interest (Month/YTD)
These figures represent dividends and/or interest on securities received by Morgan Stanley and credited to this account during the calendar year. As required by law, Morgan Stanley 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).

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

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.

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 of every statement month. For current margin loan interest rates, please go to (http://www.morganstanleyindividual.com/customerservice/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, which are identified by an asterisk(*) on your statement.

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 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 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 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 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.

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.

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.

Transaction Dates and Conditions
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, 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.