

M E M O

TO: Board of Directors

FROM: Finance Manager

SUBJECT: INVESTMENT REPORT PERIOD ENDING OCTOBER 31, 2007

DATE: November 19, 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 October 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



October, 2007 Statement

SAN LORENZO VALLEY WATER DISTRICT

Attn: DISTRICT MANAGER

13060 HIGHWAY 9

BOULDER CREEK CA 95006

Account Number : 90-44-001

RECEIVED

NOV 13 2007

SAN LORENZO VALLEY
WATER DISTRICT

Transactions

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10-15-2007	10-12-2007	QRD	1142640	SYSTEM	625.38

Account Summary

Total Deposit :	625.38	Beginning Balance :	47,576.96
Total Withdrawal :	0.00	Ending Balance :	48,202.34

Bill Lockyer, State Treasurer

Inside the State Treasurer's Office



Pooled Money Investment Account Summary of Investment Data

	Average Daily Portfolio	Effective Yield	Average Life (Month End in Days)
March 2007	\$57,580,012	5.214	170
March 2006	\$53,828,826	4.142	181
Change	\$3,751,186	+1.072	-11
April 2007	\$58,660,031	5.222	166
April 2006	\$54,555,166	4.305	162
Change	\$4,104,865	+0.917	+4
May 2007	\$63,222,005	5.248	170
May 2006	\$62,884,541	4.563	151
Change	\$337,464	+0.685	+19
June 2007	\$62,380,261	5.250	176
June 2006	\$63,221,434	4.700	152
Change	-\$841,173	+0.550	+24
July 2007	\$60,681,221	5.255	186
July 2006	\$59,553,163	4.849	164
Change	\$1,128,058	+0.406	+22
August 2007	\$59,657,942	5.253	214
August 2006	\$57,570,790	4.946	161
Change	\$2,087,152	+0.307	+53
September 2007	\$58,058,289	5.231	207
September 2006	\$57,084,758	5.023	160
Change	\$973,531	+0.208	+47
October 2007	\$58,832,193	5.137	197
October 2006	\$55,749,223	5.098	190
Change	\$3,082,970	+0.039	+7

State of California
Pooled Money Investment Account
Market Valuation
10/31/2007

Carrying Cost Plus			
Description	Accrued Interest Purch.	Fair Value	Accrued Interest
United States Treasury:			
Bills	\$ 2,544,671,638.80	\$ 2,580,816,000.00	NA
Notes	\$ -	\$ -	\$ -
Federal Agency:			
SBA	\$ 599,620,064.66	\$ 600,488,014.81	\$ 5,570,185.28
MBS	\$ 1,227,170,745.20	\$ 1,213,958,420.93	\$ 5,813,663.91
Bonds	\$ 5,655,618,364.01	\$ 5,677,063,823.60	\$ 93,267,108.60
Floater	\$ 1,197,542,173.63	\$ 1,195,407,450.00	\$ 6,780,585.85
Discount Notes	\$ 5,697,057,300.23	\$ 5,808,120,400.00	NA
FHLMC PC	\$ 306,421.45	\$ 314,663.15	\$ 4,998.46
GNMA	\$ 197,974.98	\$ 223,091.17	\$ 1,965.75
Bankers Acceptances	\$ -	\$ -	NA
Bank Notes	\$ 1,300,000,000.00	\$ 1,300,466,574.00	\$ 4,028,166.67
CDs	\$ 8,189,028,080.86	\$ 8,191,711,642.27	\$ 82,475,562.79
Commercial Paper	\$ 8,494,305,373.34	\$ 8,530,556,026.97	NA
Corporate:			
Floater	\$ 119,020,063.18	\$ 116,286,160.00	\$ 982,354.02
Bonds	\$ 255,596,164.83	\$ 256,555,803.20	\$ 2,271,656.24
Repurchase Agreements		\$ -	NA
Reverse Repurchase	\$ (494,454,000.00)	\$ (494,454,000.00)	\$ (1,728,310.00)
Time Deposits	\$ 9,007,995,000.00	\$ 9,007,995,000.00	NA
AB 55 & GF Loans	\$ 18,301,810,773.76	\$ 18,301,810,773.76	NA
TOTAL	\$ 62,095,486,138.93	\$ 62,287,319,843.86	\$ 199,467,937.57

Fair Value Including Accrued Interest	\$ 62,486,787,781.43
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Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

POOLED MONEY INVESTMENT ACCOUNT

SUMMARY OF INVESTMENT DATA

A COMPARISON OF SEPTEMBER 2007 WITH SEPTEMBER 2006

(DOLLARS IN THOUSANDS)

	SEPTEMBER 2007	SEPTEMBER 2006	CHANGE
Average Daily Portfolio	\$ 58,058,289	57,084,758	\$ +973,531
Accrued Earnings	\$ 248,957	\$ 235,692	\$ +13,265
Effective Yield	5.231	5.023	+0.208
Average Life-Month End (In Days)	207	160	+47
Total Security Transactions			
Amount	\$ 29,625,463	\$ 24,108,292	\$ +5,517,171
Number	614	507	+107
Total Time Deposit Transactions			
Amount	\$ 4,526,000	\$ 2,735,500	\$ +1,790,500
Number	223	162	+61
Average Workday Investment Activity	\$ 1,797,445	\$ 1,342,190	\$ +455,255
Prescribed Demand Account Balances			
For Services	\$ 326,536	\$ 266,120	\$ +60,416
For Uncollected Funds	\$ 202,900	\$ 191,772	\$ +11,128

BILL LOCKYER
TREASURER
STATE OF CALIFORNIA

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

SEPTEMBER 30, 2007

<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	\$ 2,150,965	3.51	+0.09
Bonds	0	0.00	0
Notes	0	0.00	0
Strips	0	0.00	0
Total Government	\$ 2,150,965	3.51	+0.09
Federal Agency Coupons	\$ 6,950,432	11.36	-1.63
Certificates of Deposit	10,612,213	17.34	-0.11
Bank Notes	1,500,000	2.45	+0.70
Bankers' Acceptances	0	0.00	0
Repurchases	0	0.00	0
Federal Agency Discount Notes	6,068,497	9.92	-2.99
Time Deposits	9,054,495	14.80	-0.73
GNMAs	201	0.00	0
Commercial Paper	11,194,381	18.29	+1.98
FHLMC/Remics	1,238,207	2.02	-0.17
Corporate Bonds	374,090	0.61	-0.05
AB 55 Loans	10,284,244	16.81	+1.87
GF Loans	2,165,300	3.54	+1.52
Reversed Repurchases	-396,104	-0.65	+0.48
Total (All Types)	\$ 61,196,921	100.00	

INVESTMENT ACTIVITY

	<u>SEPTEMBER 2007</u>		<u>AUGUST 2007</u>	
	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
Pooled Money	614	\$ 29,625,463	844	\$ 40,229,445
Other	18	164,681	11	92,860
Time Deposits	223	4,526,000	292	5,942,000
Totals	855	\$ 34,316,144	1147	\$ 46,264,305
PMIA Monthly Average Effective Yield	5.231		5.253	
Year to Date Yield Last Day of Month	5.247		5.254	

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)
11/1/2007	5.02	5.13	199
11/2/2007	5.02	5.13	199
11/3/2007	5.02	5.12	199
11/4/2007	5.02	5.12	199
11/5/2007	5.00	5.12	218
11/6/2007	4.99	5.12	219
11/7/2007	4.98	5.11	215
11/8/2007	4.98	5.11	216
11/9/2007	4.97	5.10	215
11/10/2007	4.97	5.10	215
11/11/2007	4.97	5.10	215
11/12/2007	4.97	5.09	215
11/13/2007	4.97	5.09	216
11/14/2007	4.96	5.09	214

LAIF Performance Report

Quarter ending 9/30/2007

Apportionment Rate: 5.24%
Earnings Ratio: .00014311664742946
Fair Value Factor: 1.000553483

PMIA Average Monthly Effective Yields

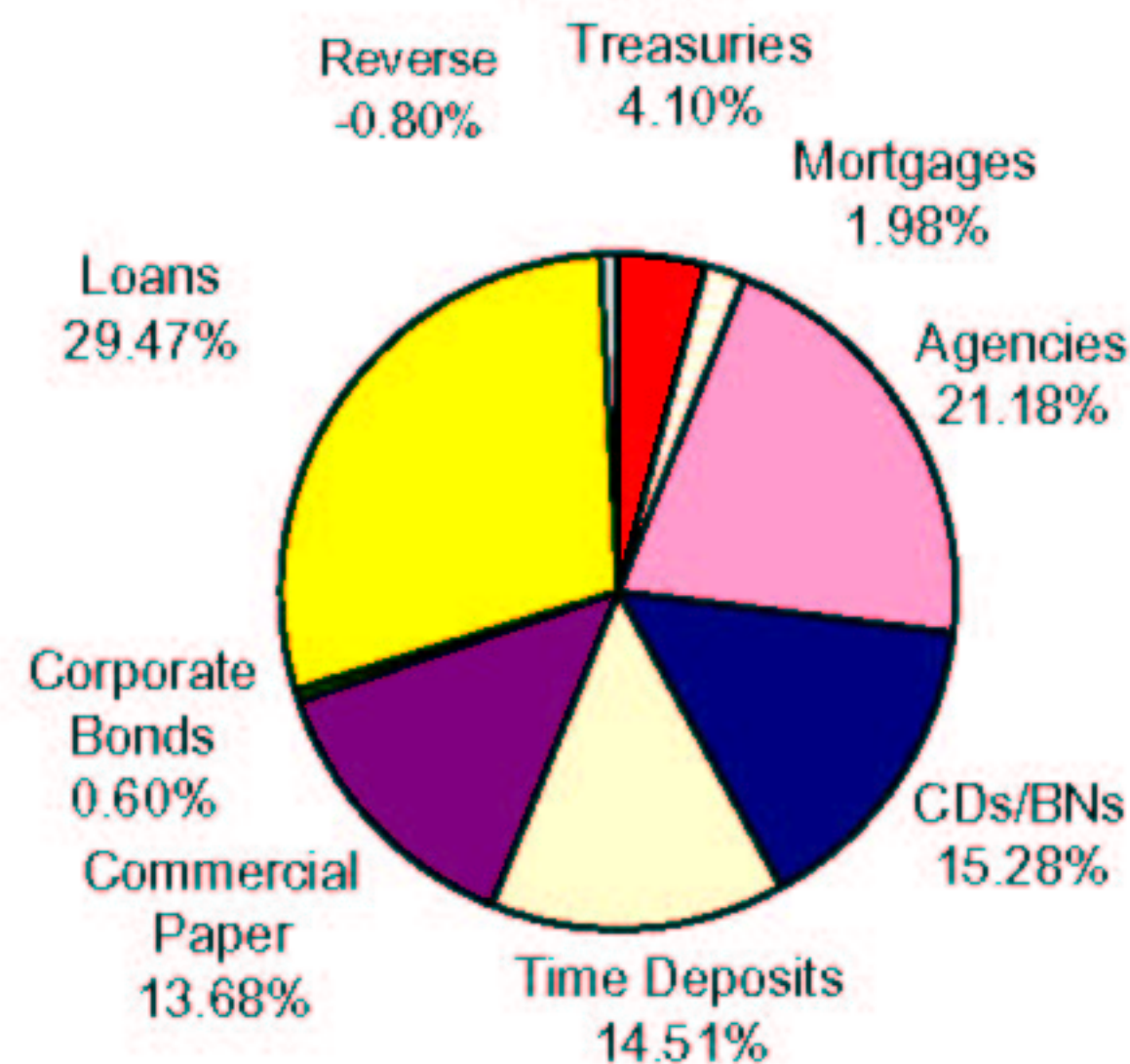
October 2007 5.137%
September 2007 5.231%
August 2007 5.253%

Pooled Money Investment Account

Portfolio Composition

\$62.1 Billion

10/31/07



STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING OCTOBER 31, 2007

PAGE 1 OF 13

Your Financial Advisor
JAMES M BARGETTO
SENIOR VICE PRESIDENT
MORGAN STANLEY
716 OCEAN STREET
SANTA CRUZ, CA 95060
(831) 457-4314

Account Number
136 022962 014

(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
85000	IRWIN UNION BK CD	5050	08MH24	99.890	84,906.50	4,292.50	5.05%
90000	FIRST BANK CA CD	4250	08AP28	99.529	89,576.10	3,825.00	4.27%
95000	DISCOVER BANK CD	3500	08DE03	98.241	93,328.95	3,325.00	3.56%
95000	BANKWEST INC CD	5500	*09FB17	100.371	95,352.45	5,225.00	5.47%
95000	WEBSTER BANK CD	3300	09MH03	97.588	92,708.60	3,135.00	3.38%
95000	1ST SIGNATURE CD	3300	09MH03	97.588	92,708.60	3,135.00	3.38%
95000	LEHMAN BROS CD	3500	09MH03	97.841	92,948.95	3,325.00	3.57%
95000	CIT BANK CD	4900	09MH06	99.611	94,630.45	4,655.00	4.91%
95000	AMERICAN WEST CD	5400	09JN29	100.305	95,289.75	5,130.00	5.38%
85000	NEVADA SEC BK CD	4600	09AU24	98.975	84,128.75	3,910.00	4.64%
95000	PROVIDIAN NATL CD	4000	09SP15	100.549	95,521.55	3,800.00	3.97%
95000	COLE TAYLOR FID	45000	*09NV24	99.395	94,425.25	4,275.00	4.52%
95000	SOVEREIGN BK CD	50000	*09DE09	99.857	94,864.15	4,750.00	5.00%
95000	TOWER BANK CD	4150	10FB23	97.663	92,779.85	3,942.50	4.24%
95000	FIRST BUSINESS CD	5000	10MY07	99.417	94,446.15	4,750.00	5.02%
95000	NEW SOUTH FSB CD	40000	*10MY12	99.061	94,107.95	3,800.00	4.03%
95000	CAROLINA FIRST CD	40000	*10MY26	99.266	94,302.70	3,800.00	4.02%
95000	M&I BANK FSB FID	4000	*10JL10	99.568	94,589.60	3,800.00	4.01%
90000	FRONTIER BANK FID	4500	*10SP14	97.917	88,125.30	4,050.00	4.59%
95000	WASHINGTON MUT CD	4400	10SP21	97.651	92,768.45	4,180.00	4.50%
80000	NATL REP BANK CD	4900	11JA13	98.834	79,067.20	3,920.00	4.95%
95000	GEAUGA SVGS BK CD	4700	*11JA28	98.223	93,311.85	4,465.00	4.78%
95000	EVERBANK FLA CD	5000	11MY09	99.051	94,098.45	4,750.00	5.04%
85000	NOVA SVGS BK CD	4500	11JN08	97.412	82,800.20	3,825.00	4.61%
95000	CITIZENS NB CD	5750	*11JL28	101.494	96,419.30	5,462.50	5.66%
95000	LASALLE BANK CD	5150	11AU09	99.486	94,511.70	4,892.50	5.17%
95000	FIRESIDE BANK	5300	11AU09	99.991	94,991.45	5,035.00	5.30%
95000	BANKWEST PIERR CD	5500	*11AU30	99.833	94,841.35	5,225.00	5.50%
85000	GUNNISON BANK CD	5050	11OC31	99.111	84,244.35	4,292.50	5.09%
95000	OCEANIC BK CD	5000	12MY09	98.591	93,661.45	4,750.00	5.07%

STATEMENT OF YOUR ACCOUNT
FOR MONTH ENDING OCTOBER 31, 2007

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SAN LORENZO VALLEY WATER DIST
 INVESTMENT BROKERAGE ACCT

Account Number
 136 022962 014

Your Investments				<i>Current Price</i>	<i>Value</i>	<i>Est Yrly Income</i>	<i>Current Yield</i>
95000	GOLF SVGS BANK CD	5000	12MY09	98.591	93,661.45	4,750.00	5.07%
95000	FRIEDNDSHIP ST CD	5000	12MY09	98.591	93,661.45	4,750.00	5.07%
95000	WELLS FARGO BK CD	5300	*13AP24	99.225	94,263.75	5,035.00	5.34%
95000	COUNTRYWIDE BK CD	6000	*13AU23	100.012	95,011.40	5,700.00	5.99%
95000	ANB FINL NATL CD	5500	*14OC17	99.271	94,307.45	5,225.00	5.54%
140000	US TSY NOTE	3000	07NV15	99.945	139,923.00	4,200.00	3.00%
925000	FNMA	5750	08FB15	100.281	927,599.25	53,187.50	5.73%
1300000	FHLMC MTN	3000	08MH24	99.347	1,291,511.00	39,000.00	3.01%
850000	US TSY NOTE	4750	08NV15	100.711	856,043.50	40,375.00	4.71%
350000	US TSY NOTE	3000	09FB15	98.742	345,597.00	10,500.00	3.03%
850000	US TSY NOTE	2625	09MH15	98.203	834,725.50	22,312.50	2.67%
500000	US TSY NOTE	4875	09MY15	101.336	506,680.00	24,375.00	4.81%
450000	FNMA	3270	*09JN16	98.281	442,264.50	14,715.00	3.32%
500000	FNMA	3500	*09SP04	98.469	492,345.00	17,500.00	3.55%
525000	FNMA	40000	*09DE17	99.906	524,506.50	21,000.00	4.00%
100000	FFCB	4950	*10FB01	100	100,000.00	4,950.00	4.95%
750000	US TSY NOTE	4750	10FB15	101.742	763,065.00	35,625.00	4.66%
500000	FNMA	5080	*10JN18	100.250	501,250.00	25,400.00	5.06%
150000	FNMA	45000	*10AU26	99.844	149,766.00	6,750.00	4.50%
250000	FNMA	50000	*10DE02	100.031	250,077.50	12,500.00	4.99%
500000	US TSY NOTE	4875	11MY31	102.828	514,140.00	24,375.00	4.74%
500000	FHLB	52500	*11DE30	100.031	500,155.00	26,250.00	5.24%
170000	FNMA	45000	*12MH16	99.750	169,575.00	7,650.00	4.51%
Total Value of Priced Investments					\$12,539,586.60	\$543,847.50	4.33%

Custodial Holdings		<i>Symbol</i>	<i>Current Price</i>	<i>Date</i>	<i>Value</i>	<i>Custodian</i>	<i>Dividend Cap Gains Option</i>	<i>Fund Plan Number</i>
Bank Deposits #								
MORGAN STANLEY TRUST BANK					\$78,136.56			
Total Bank Deposits					\$78,136.56			
Total Custodial Holdings					\$78,136.56			

STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING OCTOBER 31, 2007

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

Custodial Holdings	Symbol	Current Price	Date	Value	Custodian	Dividend Cap Gains Option	Fund Plan Number
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Bank deposits are at Morgan Stanley Bank and Morgan Stanley Trust bank (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated.
Bank deposits are eligible for FDIC insurance up to applicable limits. Not SIPC insured.

Asset Summary	Value	Est Yrly Income
Cash	2,163.89	
Total Account Valuation	\$12,619,887.05	\$543,847.50

DAILY ACTIVITY DETAILS

Date	Activity	Quantity	Description	Price	Amount	Balance
			CLOSING BALANCE AS OF 9/30			439.22
10/01	Auto Investment		BANK DEPOSIT PROGRAM		-439.22	.00
10/04	Taxable Interest		FNMA 3500 *09SP04		+1,458.34	+1,458.34
10/05	Auto Investment		BANK DEPOSIT PROGRAM		-1,458.34	.00
10/09	Taxable Interest		OCEANIC BK CD 5000 12MY09		+390.41	+390.41
	Taxable Interest		GOLF SVGS BANK CD 5000 12MY09		+390.41	+780.82
	Taxable Interest		FRIEDNSHIP ST CD 5000 12MY09		+390.41	+1,171.23
10/10	Auto Investment		BANK DEPOSIT PROGRAM		-1,171.23	.00
10/14	Taxable Interest		FRONTIER BANK FID 4500 *10SP14		+332.88	+332.88
10/15	Taxable Interest		FHLMC MTN 5250 *11DE15		+306.25	+639.13
10/16	Taxable Interest		BANKWEST INC CD 5500 *09PB17		+429.45	+1,068.58
10/17	Auto Investment		BANK DEPOSIT PROGRAM		-1,068.58	.00
10/22	Auto Redemption		BANK DEPOSIT PROGRAM		+37,160.54	+37,160.54
	Taxable Interest		MORGAN STANLEY TRUST BANK		+102.17	+37,262.71
10/23	Taxable Interest		TOWER BANK CD 4150 10PB23		+324.04	+37,586.75
	Bought	95000	ANB FINL NATL CD 5500 *14OC17	99.9999	-95,091.08	-57,504.33
10/24	Sold	155000	US TSY NOTE 3000 07NV15	99.933	+156,937.91	+99,433.58
			AMOUNT INCLUDES ACCRUED		+.00	
			INTEREST OF \$2,047.01		+.00	
	Bought	95000	WELLS FARGO BK CD 5300 *13AP24	100.00	-95,005.25	+4,428.33
10/25	Sold	100000	US TSY NOTE 3000 07NV15	99 38/56	+101,253.24	+105,681.57
			AMOUNT INCLUDES ACCRUED		+.00	
			INTEREST OF \$1,328.80		+.00	

STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING OCTOBER 31, 2007

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

DAILY ACTIVITY DETAILS

Date	Activity	Quantity	Description	Price	Amount	Balance
10/25	Auto Investment		BANK DEPOSIT PROGRAM		-4,428.33	+101,253.24
10/26	Withdrawal		WIRED FUNDS SENT		-100,000.00	+1,253.24
			BENE: SAN LORENZO VALLEY WATE			+1,253.24
			ACCT: 8672481358			+1,253.24
	Charge		WIRED FUNDS FEE		-30.00	+1,223.24
	Auto Investment		BANK DEPOSIT PROGRAM		-101,253.24	-100,030.00
10/28	Taxable Interest		GEAUGA SVGS BK CD 4700 *11JA28		+366.99	-99,663.01
	Taxable Interest		FIRST BANK CA CD 4250 08AP28		+1,917.74	-97,745.27
10/29	Taxable Interest		FHLMC MTN 5250 *11DE15		+142.92	-97,602.35
			ACCRUED BOND INTEREST			-97,602.35
	Delivered	70000	FHLMC MTN 5250 *11DE15		+70,000.00	-27,602.35
			REDEMPTION OF CALLED BOND			-27,602.35
	Auto Redemption		BANK DEPOSIT PROGRAM		+29,887.09	+2,284.74
10/30	Auto Investment		BANK DEPOSIT PROGRAM		-2,284.74	.00
	Auto Investment		BANK DEPOSIT PROGRAM		-2.60	-2.60
	Auto Investment		BANK DEPOSIT PROGRAM		-54.74	-57.34
	Taxable Interest		MORGAN STANLEY BANK		+2.60	-54.74
			(Period 09/28-10/30)			-54.74
	Taxable Interest		MORGAN STANLEY TRUST BANK		+54.74	.00
			(Period 09/28-10/30)			.00
10/31	Taxable Interest		GUNNISON BANK CD 5050 11OC31		+2,163.89	+2,163.89
			CLOSING BALANCE AS OF 10/31			+2,163.89

Additional information concerning these transactions is available upon request.

Yields on Bank Deposits and Money Market Funds

BANK DEPOSITS

A Bank Deposits APY of 4.50% was in effect for your deposits at the statement ending date.

**STATEMENT OF YOUR ACCOUNT
FOR MONTH ENDING OCTOBER 31, 2007**

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

Income Summary	<i>This Month</i>	<i>Year-to-Date</i>		<i>This Month</i>	<i>Year-to-Date</i>
Dividends/Bank Deposit Interest	159.51	2,325.83	Interest	8,613.73	435,453.73
Accrued Bond Interest	3,375.81	5,891.10	Margin Interest	.00	.00

Tax Information	<i>This Month</i>	<i>Year-to-Date</i>
U.S. Treasury Coupon Interest	.00	114,125.00

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 Client 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 OCTOBER 31, 2007**

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Your Financial Advisor
JAMES M BARGETTO
SENIOR VICE PRESIDENT
MORGAN STANLEY
716 OCEAN STREET
SANTA CRUZ, CA 95060
(831) 457-4314

(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

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 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, 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, 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 OCTOBER 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	3.000	11-15-07	140,000	12-05-03	100.90600 100.00917	141,269.40 140,012.84	139,923.00 (89.84)	Long Term
US TSY NOTE	4 3/4	11-15-08	850,000	07-05-02	102.00687 100.48900	872,844.50 854,156.57	856,043.50 1,886.93	Long Term
US TSY NOTE	3.000	2-15-09	350,000	02-27-04	100.70600 100.19325	352,476.00 350,676.38	345,597.00 (5,079.38)	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	834,725.50 (15,279.50)	Long Term
US TSY NOTE	4 7/8	5-15-09	500,000	07-24-06	100.24505 100.13818	501,225.25 500,690.94	506,680.00 5,989.06	Long Term
US TSY NOTE	4 3/4	2-15-10	750,000	02-13-07	100.30120 100.23329	752,259.00 751,749.68	763,065.00 11,315.32	Short Term
US TSY NOTE	4 7/8	5-31-11	500,000	07-24-06	100.18805 100.14285	500,940.25 500,714.26	514,140.00 13,425.74	Long Term
Total Treasury Securities						3,971,019.40 3,948,005.67	3,960,174.00 12,168.33	
Federal Agencies								
FNMA	5 3/4	2-15-08	925,000	07-05-02	106.00768 100.38830	987,615.94 928,591.85	927,599.25 (992.60)	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	1,291,511.00 (1,994.00)	Long Term

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STATEMENT OF YOUR ACCOUNT
FOR MONTH ENDING OCTOBER 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	
FNMA	3.270	6-16-09	450,000	03-12-04	99.87500 99.87500	449,442.50 449,442.50	442,264.50	(7,178.00)	Long Term
FNMA	3 1/2	9-04-09	500,000	02-25-04	100.00000 100.00000	500,000.00 500,000.00	492,345.00	(7,655.00)	Long Term
FNMA	4.000	12-17-09	525,000	12-08-03	99.70000 99.70000	523,425.00 523,425.00	524,506.50	1,081.50	Long Term
FFCB	4.950	2-01-10	100,000	11-28-05	99.88025 99.88025	99,880.25 99,880.25	100,000.00	119.75	Long Term
FNMA	5.080	6-18-10	500,000	04-05-07	99.95000 99.95000	499,750.00 499,750.00	501,250.00	1,500.00	Short Term
FNMA	4 1/2	8-26-10	150,000	08-16-04	100.00000 100.00000	150,000.00 150,000.00	149,766.00	(234.00)	Long Term
FNMA	5.000	12-02-10	250,000	11-07-05	100.00000 100.00000	250,000.00 250,000.00	250,077.50	77.50	Long Term
FHLB	5 1/4	12-30-11	500,000	04-30-07	100.00005 100.00005	500,000.25 500,000.25	500,155.00	154.75	Short Term
FNMA	4 1/2	3-16-12	170,000	09-08-04	100.00000 100.00000	170,000.00 170,000.00	169,575.00	(425.00)	Long Term
Total Federal Agencies						5,423,618.94 5,364,594.85	5,349,049.75	(15,545.10)	
Total Government Securities						9,394,638.34 9,312,600.52	9,309,223.75	(3,376.77)	

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STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING OCTOBER 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**								
IRWIN UNION BK CD	5.050	3-24-08	85,000	03-16-06	100.00000 100.00000	85,000.00 85,000.00	84,906.50 (93.50)	Long 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	89,576.10 (423.90)	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	93,328.95 (1,671.05)	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	95,352.45 352.45	Long Term
CIT BANK CD	4.900	3-06-09	95,000	02-22-06	100.00000 100.00000	95,000.00 95,000.00	94,630.45 (369.55)	Long Term
WEBSTER BANK CD	3.300	3-03-09	95,000	02-25-04	100.00000 100.00000	95,000.00 95,000.00	92,708.60 (2,291.40)	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	92,708.60 (2,291.40)	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	92,948.95 (2,051.05)	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	95,289.75 289.75	Long 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	84,128.75 (871.25)	Long Term
PROVIDIAN NATL CD	4.000	9-15-09	95,000	09-08-04	100.00000 100.00000	95,000.00 95,000.00	95,521.55 521.55	Long Term

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STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING OCTOBER 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
COLE TAYLOR FID	4 1/2	11-24-09	95,000	05-10-04	100.00000 100.00000	95,000.00 95,000.00	94,425.25	(574.75)	Long Term
SOVEREIGN BK CD	5.000	12-09-09	95,000	05-18-04	100.00000 100.00000	95,000.00 95,000.00	94,864.15	(135.85)	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	92,779.85	(2,220.15)	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	94,446.15	(559.10)	Short 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	94,107.95	(892.05)	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	94,302.70	(697.30)	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	94,589.60	(415.40)	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	92,768.45	(2,231.55)	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	88,125.30	(671.42)	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	93,311.85	(1,693.40)	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	79,067.20	(932.80)	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	94,098.45	(906.80)	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	82,800.20	(2,199.80)	Long Term

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STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING OCTOBER 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	
CITIZENS NB CD	5 3/4	7-28-11	95,000	07-26-06	100.00553 100.00553	95,005.25 95,005.25	96,419.30	1,414.05	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	94,511.70	(488.30)	Long Term
FIRESIDE BANK	5.300	8-09-11	95,000	08-01-06	100.00000 100.00000	95,000.00 95,000.00	94,991.45	(8.55)	Long 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	94,841.35	(144.12)	Long Term
GUNNISON BANK CD	5.050	10-31-11	85,000	10-25-06	100.00000 100.00000	85,000.00 85,000.00	84,244.35	(755.65)	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	93,661.45	(1,343.80)	Short 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	93,661.45	(1,338.55)	Short Term
FRIEDNDSHIP ST CD	5.000	5-09-12	95,000	05-01-07	100.00553 100.00553	95,005.25 95,005.25	93,661.45	(1,343.80)	Short Term
WELLS FARGO BK CD	5.300	4-24-13	95,000	10-18-07	100.00553 100.00553	95,005.25 95,005.25	94,263.75	(741.50)	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	95,011.40	11.40	Long Term
ANB FINL NATL CD	5 1/2	10-17-14	95,000	10-18-07	100.00546 100.00546	95,005.19 95,005.19	94,307.45	(697.74)	Short Term
Total Certificates of Deposit						3,258,829.13 3,258,829.13	3,230,362.85	(28,466.28)	
Totals for positions with cost data available						\$12,571,429.65	\$12,539,586.60	(\$31,843.05)	
Total Market Value for all positions							\$12,539,586.60		

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STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING OCTOBER 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
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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)	Quantity	Date Acquired	Date Sold	Total Cost Original / Adjusted*	Proceeds	Realized Gain/(Loss)	Additional Information
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Short Term

FHLB	5 1/2	4-24-09	1200,000	06-28-06	05-01-07	1,200,005.25	1,200,000.00	(5.25)	Short Term
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Sub Total Short Term

						\$1,200,005.25	\$1,200,000.00	(\$5.25)	
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Long Term

CAPITAL JUMBO CD	4.550	9-04-07	100,000	08-28-02	04-23-07	100,000.00	99,683.75	(316.25)	Long Term
PHLMC MTN	5 1/4	12-15-11	70,000	09-11-06	10-29-07	70,005.25	70,000.00		
						70,000.00	70,000.00		
FNMA	7.000	10-14-09	500,000	01-25-05	04-16-07	495,005.00	500,000.00	4,995.00	Long Term
US TSY NOTE	2 1/4	2-15-07	750,000	02-26-04	02-13-07	755,378.58	750,000.00		
						750,000.00	750,000.00		
US TSY NOTE	3.000	11-15-07	100,000	12-05-03	07-20-07	100,906.00			Long Term
						100,075.37	99,292.65	(782.72)	
US TSY NOTE	3.000	11-15-07	100,000	12-05-03	07-30-07	100,906.00			Long Term
						100,070.78	99,373.75	(697.03)	
US TSY NOTE	3.000	11-15-07	20,000	12-05-03	09-06-07	20,181.20			Long Term
						20,009.19	19,922.88	(86.31)	
US TSY NOTE	3.000	11-15-07	85,000	12-05-03	09-18-07	85,770.10			Long Term
						85,032.33	84,848.66	(183.67)	
US TSY NOTE	3.000	11-15-07	155,000	12-05-03	10-24-07	156,404.30			Long Term
						155,022.40	154,890.90	(131.50)	
US TSY NOTE	3.000	11-15-07	100,000	12-05-03	10-25-07	100,906.00			Long Term
						100,013.80	99,924.44	(89.36)	

Sub Total Long Term

						\$1,975,228.87	\$1,977,937.03	\$2,708.16	
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STATEMENT OF YOUR ACCOUNT FOR MONTH ENDING OCTOBER 31, 2007

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SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT

Account Number
136 022962 014

Realized Gain/(Loss)	Quantity	Date Acquired	Date Sold	<u>Total Cost</u> Original / Adjusted*	Proceeds	Realized Gain/(Loss)	Additional Information
Totals for closing transactions with cost data available				\$3,175,234.12	\$3,177,937.03	\$2,702.91	
Total Proceeds					\$3,177,937.03		

Summary	<u>Short Term</u>	<u>Long Term</u>	<u>Total</u>
Unrealized gain.....	\$12,970.07	\$25,169.68	\$38,139.75
Unrealized (loss).....	(\$6,931.29)	(\$63,051.51)	(\$69,982.80)
Realized gain YTD.....	\$0.00	\$4,995.00	\$4,995.00
Realized (loss) YTD.....	(\$5.25)	(\$2,286.84)	(\$2,292.09)

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