

CAUSE NO. D-1-GV-09-002065

STATE OF TEXAS, Plaintiff,	§	IN THE DISTRICT COURT OF
	§	
VS.	§	
	§	
KATHIE BRYANT, dba BUENA VISTA WATER SYSTEM, Defendant.	§	TRAVIS COUNTY, TEXAS
	§	
	§	250 th JUDICIAL DISTRICT

RECEIVER'S MONTHLY REPORT
BUENA VISTA WATER SYSTEM
BURNET COUNTY, TEXAS
For the Month Ending November 30, 2010

COMES NOW, JOHN M. FULTZ, duly appointed Receiver for Buena Vista Water System (the "Water System"), and files this Receiver's Monthly Report for the month ending November 30, 2010, and would show this Court the following:

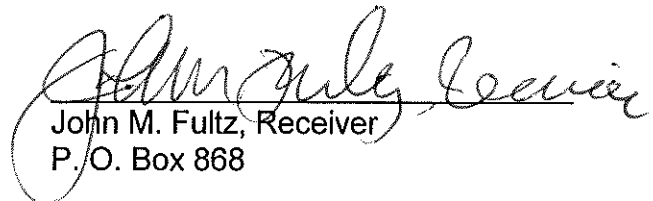
1. John M. Fultz was appointed Receiver of the Water System by Receivership Order signed by this Court on July 8, 2010 (the "Order").
2. The Water System is alleged to be owned by Kathie Bryant, individually, d/b/a Buena Vista Water System.
3. The Order authorized the Receiver to take possession and control of the Water System located in Burnet County, Texas.
4. The Receiver operates the Water System by contract with Gulf Utility Service, Inc., ("Operator"). The Operator operates the Water System on behalf of the Receiver.
5. The Operator operates the Water System by performing monthly testing, filing appropriate monthly water reports, reading the meters, billing the customers, collecting and depositing the funds received in payment, preparing checks for payment of the monthly bills and delivering them to the Receiver for review and payment.
6. The Operator prepared and delivered a monthly financial report for the Receiver for review and filing with this Receiver's Monthly Report.
7. The Receiver reviewed all invoices and operating expenses and the Operator's System Totals Report, Profit & Loss, and Balance Sheet for November, 2010, copies of which are attached hereto.

8. The Receiver continues to remain in contact with Mike Wortham, President of the Buena Vista Property Owners Association in an effort to maintain the communication between the customers and the Receiver.
9. The Operator's president, Terry Taylor, made personal visits to the water plant and facilities to oversee employees and operations.
10. The Receiver confirmed through the Operator that the Water System is operational.
11. The Receiver billed the Water System for Receiver's Fees for the month of November in the amount of \$1,519.00 for 124 connections at \$12.25 per connection. Receiver's Fees are current through the month of August, 2010. The Receiver is owed fees incurred for the months of September, October, and November. Receiver's fees will be disbursed as specified by the Order when funds are available.
12. The Receiver disbursed funds to the Operator to reimburse for travel expenses incurred but no funds have been disbursed to the Operator for management and operations in the Water System. The Operator is shouldering the financial burden of improvements to the Water System to bring the Water System into compliance with TCEQ and to provide adequate and continuous water supply to the Water System's customers.
13. The Receiver is reviewing and evaluating with the Operator the financial condition of the Water System to determine the financial requirements and rates to be charged by the Water System to provide continuous and adequate supply of water to the customers of the Water System.
14. The outstanding debts owed by the Water System as of July 8, 2010, have been reviewed and payment in full for past due balances owed by the Water System has been made to the following entities: TCEQ for 2010 Permit fees, Highland Lakes Newspapers, LCRA for purchased water, LCRA Environmental Lab Services, RVS Software, Pedernales Electric Cooperative, Inc., and Altivia Corporation.
15. The Receiver continues to make monthly payments on the delinquent amounts owed to the Department of State Health Service, Central Lab Services (DSHS) for lab fees incurred prior to the appointment of the Receiver. The Receiver has agreed with DSHS to make payment in full by April 2011.
16. Kathie Bryant continues to request payment for amounts alleged to be owed her for her operation of the Water System both prior and subsequent to the date of the Receivership. On November 17, 2010, the Receiver notified Kathie Bryant's attorney, Keith Kebodeaux, that the Receiver will not make payment to Kathie Bryant for any amounts alleged by her to be due her, but will evaluate the allegations in accordance with the terms of the Order.

17. On November 12, 2010, the Receiver reviewed correspondence dated November 4, 2010, from LCRA regarding revisions to LCRA's Drought Contingency Plan modifying the firm water supply target reduction goals and drought response measures. The Receiver forwarded the notice to the Operator.
18. On November 20, 2010, the Receiver confirmed that the charges made by Hach on Kathie Bryant's credit card which were disputed by Ms. Bryant had been removed from Ms. Bryant's credit card. On November 22, 2010, payment was forwarded to Hach by the Water System.
19. On November 22, 2010, the Receiver forwarded payment to TCEQ for the 2010 PWS fee.
20. On or about November 22, 2010, the Receiver reviewed correspondence dated November 11, 2010, from Brown County Water Improvement District regarding Notice of Initiation of Brown County Water Improvement District Number 1 Drought Contingency Plan due to the mild drought occurring on Lake Brownwood. The Receiver forwarded the Plan to the Operator with instruction to forward a copy of the Water System's Drought Contingency Plan to Brown County Water Improvement District.
21. On November 22, 2010, the Receiver responded to Mike Wortham's inquiry on behalf of the Buena Vista Property Owners Association regarding a fire hydrant in the Buena Vista Subdivision desired to be used by the Cassie Volunteer Fire Department. The Receiver advised that the Water System cannot meet fire flow and maintain the minimum standards required by TCEQ. The Receiver consulted with the Operator who recommended that the VFD install a dry fire hydrant to use water from Lake Brownwood.
22. On or about November 29, 2010, the Receiver reviewed correspondence dated November 18, 2010, from Ada Lichaa with TCEQ regarding LT2 Bin 1 Classification for the Water System. The Receiver forwarded the correspondence to the Operator.
23. The Receiver will continue to operate the System through the Operator.

This concludes the Receiver's Monthly Report for the month ending November 30, 2010.

Respectfully Submitted,

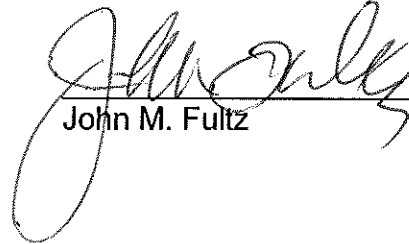

John M. Fultz, Receiver
P. O. Box 868

Navasota, Texas 77868
936-825-7833
936-825-2354 fax

Certificate of Service

I, John M. Fultz, Receiver, certify that a copy of the foregoing Receiver's Monthly Report for the month of November, 2010, for the Buena Vista Water System, was forwarded via email on the 15th day of February, 2011, to the following:

Mr. George Thomas "Tom" Bohl, Assistant Attorney General
Mr. Terence Webb, Receivership Coordinator
Mr. Keith Kebodeaux, Attorney for Kathy Bryant
Mr. Roger Borgelt, Attorney for the Buena Vista Property Owners Association



John M. Fultz

System Totals Report

BUENA VISTA WATER SYSTEM

Water Pumped This Month 545,440 Gallons

Water Sold This Month 530,100 Gallons

Water Loss 15,340 Gallons

Water Loss (%) 2.81 %

	Amount (\$)	# Of Accounts
Total Water	5,611.53	124
Total Late Charge	44.40	8
Total Adjustments	-140.67	1
Total Sales Tax	56.14	124
Total Current Charges	5,571.40	124
Amount Past Due 1-30 Days	33.47	1
Amount Past Due 31-60 Days	70.06	2
Amount Past Due Over 60 Days	221.60	2
Amount Of Overpayments/Prepayments	-5,458.42	118
Total Receivables	438.11	29

Total Receipts On Account 5,317.60 109

Net Change in Deposits 0.00 0

Amount of All Deposits 100.00 2

Turned Off Accounts (Amount Owed) 0.00 2

Collection Accounts (Amount Owed) 212.57 6

Number Of Unread (Turned On) Meters

Average Usage For Active Meters 4,207 126

Average Water Charge For Active Meters 44.54 124

Usage Groups	Gallons	# Of Accounts	Usage	Gallons	% Of Usage	% Of Sales
Over 50,000		0	0	0	0.00	0.00
40,001-50,000		0	0	0	0.00	0.00
30,001-40,000		1	34,790	34,790	6.56	2.29
20,001-30,000		4	92,810	92,810	17.51	7.18
10,001-20,000		8	103,390	103,390	19.50	9.77
8,001-10,000		5	43,940	43,940	8.29	5.37
6,001-8,000		8	57,640	57,640	10.87	7.53
4,001-6,000		18	89,070	89,070	16.80	14.95
2,001-4,000		27	78,850	78,850	14.87	19.74
1-2,000		44	29,610	29,610	5.59	27.88
Zero Usage		11	0	0	0.00	5.29
Total Meters		126	530,100	530,100	100.00	100.00

11/30/2010

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System Totals Report

BUENA VISTA WATER SYSTEM

Monthly Reconciliation

Ending Receivables (Last Month)		184.31
Sales this Month	+	5,712.07
Adjustments this Month		-140.67
Less Payments this Month	-	<u>5,317.60</u>
	=	438.11
Total Receivables		438.11
Ending Deposits (Last Month)		100.00
Changes this Month		<u>0.00</u>
	=	100.00
Total Memberships		100.00

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 12/07/10
 Accrual Basis

Buena Vista Water System Receivership
Profit & Loss Detail
 November 2010

Type	Date	Num	Name	Memo	Clr	Split	Amount
Ordinary Income/Expense							
Income							
Revenue							
Late Charge							
General Journal	11/30/2010	4				Water Revenue	24.92
Total Late Charge							24.92
Water Revenue							
Deposit	11/2/2010			Deposit		Compass Bank	88.93
Deposit	11/3/2010			Deposit		Compass Bank	97.14
Deposit	11/8/2010			Deposit		Compass Bank	1,679.87
Deposit	11/10/2010			Deposit		Compass Bank	33.33
Deposit	11/11/2010		Water Customer	Incorrect Dep ...		Compass Bank	102.31
Check	11/11/2010	1034	Hazy Hill Water Syst...	Incorrect Dep ...		Compass Bank	-102.31
Deposit	11/11/2010			Deposit		Compass Bank	963.76
Deposit	11/15/2010			Deposit		Compass Bank	1,086.74
Deposit	11/15/2010			Deposit		Compass Bank	189.27
Deposit	11/18/2010			Deposit		Compass Bank	291.00
Deposit	11/19/2010			Deposit		Compass Bank	405.01
Deposit	11/23/2010			Deposit		Compass Bank	188.17
Deposit	11/29/2010			Deposit		Compass Bank	383.35
General Journal	11/30/2010	4				-SPLIT-	-5,317.60
General Journal	11/30/2010	4				Water Revenue	5,379.83
Total Water Revenue							5,468.80
Total Revenue							5,493.72
Total Income							5,493.72
Cost of Goods Sold							
Chemicals							
Bill	11/22/2010	68704...	Hach	8/20 Chemicals		Accounts Paya...	156.75
Total Chemicals							156.75
Lab Fees							
Bill	11/2/2010	CEN....	DSHS Central Lab ...	CEN.CD0400...		Accounts Paya...	314.00
Bill	11/10/2010	Inv # ...	City of Round Rock	Inv # 74-1010		Accounts Paya...	15.00
Total Lab Fees							329.00
Management of Operations							
Bill	11/16/2010	8958	Gulf Utility Service, I...	October Oper...		Accounts Paya...	13,905.30
Total Management of Operations							13,905.30
Purchased Water							
Check	11/28/2010	ACH	Lower Colorado Rive...	Acct. # 00500...		Compass Bank	381.29
Total Purchased Water							381.29
Total COGS							14,772.34
Gross Profit							-9,278.62
Expense							
Bank Service Charges							
Check	11/30/2010			Service Charge		Compass Bank	37.36
Total Bank Service Charges							37.36
Business Licenses and Permits							
Bill	11/22/2010	90270...	Texas Commission o...	Water System...		Accounts Paya...	175.00
Total Business Licenses and Permits							175.00
Insurance Expense							
Property Insurance							
Bill	11/16/2010	11/15/...	W.E. Gibson Insura...	unknown dates		Accounts Paya...	872.85
Total Property Insurance							872.85
Total Insurance Expense							872.85
Miscellaneous Expense							
General Journal	11/30/2010	4				Water Revenue	140.67
Total Miscellaneous Expense							140.67

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 Accrual Basis

**Buena Vista Water System Receivership
 Profit & Loss Detail
 November 2010**

Type	Date	Num	Name	Memo	Clr	Split	Amount
Professional Fees							
Receiver Assistant Fees							
Bill	11/1/2010	10/2010	Hancock, Debbie -R...	October Rece...		Accounts Paya...	250.00
Total Receiver Assistant Fees							<u>250.00</u>
Receiver Fees							
Bill	11/1/2010	10/2010	John M. Fultz, Recei...	October Billin...		Accounts Paya...	1,519.00
Total Receiver Fees							<u>1,519.00</u>
Total Professional Fees							<u>1,769.00</u>
Total Expense							<u>2,994.88</u>
Net Ordinary Income							-12,273.50
Other Income/Expense							
Other Income							
Interest Income							
Deposit	11/30/2010			Interest		Compass Bank	0.30
Total Interest Income							<u>0.30</u>
Total Other Income							<u>0.30</u>
Net Other Income							<u>0.30</u>
Net Income							<u><u>-12,273.20</u></u>

Buena Vista Water System Receivership
Balance Sheet
As of November 30, 2010

	<u>Nov 30, 10</u>
ASSETS	
Current Assets	
Checking/Savings	
Compass Bank	7,431.60
Total Checking/Savings	<u>7,431.60</u>
Total Current Assets	<u>7,431.60</u>
TOTAL ASSETS	<u><u>7,431.60</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	46,141.34
Total Accounts Payable	46,141.34
Other Current Liabilities	
Receivers Escrow	2,469.60
Regulatory Assessment	252.09
Total Other Current Liabilities	<u>2,721.69</u>
Total Current Liabilities	48,863.03
Long Term Liabilities	
Customer Water Deposit	50.00
Total Long Term Liabilities	<u>50.00</u>
Total Liabilities	48,913.03
Equity	
Net Income	-41,481.43
Total Equity	<u>-41,481.43</u>
TOTAL LIABILITIES & EQUITY	<u><u>7,431.60</u></u>