

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

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

RECEIVER'S MONTHLY REPORT
BUENA VISTA WATER SYSTEM
BURNET COUNTY, TEXAS
For the Month Ending February 28, 2011

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 February 28, 2011, 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 employed Gulf Utility Service, Inc., (the "Operator"), on July 12, 2010. The Operating Agreement between the Receiver and Gulf Utility Service, Inc. is available and on file in the Receiver's office. The Operator's license and resume of Terry Taylor, President, is available and on file in the Receiver's office.
5. The Receiver operates the Water System through the Operator. The Operator has maintained the Water System, performed monthly maintenance of the Water System, filed the appropriate monthly water reports, read the meters, billed the customers, collected and deposited the funds received in payment, and prepared checks for payment of the monthly bills and returned the same to the Receiver.
6. The Receiver reviewed the Operator's Buena Vista Water System's Systems Totals Report, Profit & Loss Report, Balance Sheet and A/P Aging Detail for February 2010. Copies of which are attached.


7. During the month of February, the Receiver continued to maintain communication via email and telephone with Michael Wortham, President of the Buena Vista Property Owners Association.
8. Terry Taylor with the Operator made personal visits to the water plant and facilities to oversee employees and operations.
9. The Receiver confirmed through the Operator that the plant at the Water System was running well and that repairs continue to be made on an as needed basis to provide the continuous and adequate supply of water to the customers of the Water System.
10. The Receiver has disbursed funds to the Operator to reimburse for travel expenses incurred and for operations and management for the months of July and August, 2010. No funds have been disbursed to the Operator for management and operations in the Water System for the months of September, October, November, and December due to insufficient funds. The Operator has shouldered the financial burden of improvements to the Water System to bring the Water System into compliance and to provide adequate and continuous water supply to the customers.
11. The Receiver took the following actions during the month of February, 2011:
 - a. On February 1, 2011, the Receiver received invoices and statements from Kathie Bryant, or someone at her direction, regarding past due balances owed by the Water System.
 - b. On February 3, 2011, the Receiver prepared a response to Nancy Donnelley, accountant for Kathie Bryant, acknowledging receipt of invoices and statements; and to Keith Kebodeaux, attorney for Kathie Bryant, advising that the Receiver has no obligation to pay amounts due prior to the appointment of the Receiver.
 - c. On February 3, 2011, the Receiver received the report from the Operator that a loss of pressure occurred in the Water System and the customers were without water for several hours.
 - d. On February 4, 2011, the Operator delivered a Boil Water Notification to all Customers. Corrective action was taken and testing results were provided to TCEQ, a copy of which Notice is attached hereto.
 - e. On February 7, 2011, the Boil Water Rescind Notice was delivered to all customers of the Water System, a copy of which Notice is attached hereto.

- f. On February 7, 2011, the Receiver conference with several Liquid Waste Haulers currently permitted by the City of Austin regarding the costs associated with removing the sludge from the Water System plant.
- g. On February 8, 2011, the Receiver forwarded to Terrence Webb of TCEQ the Receiver's response to TCEQ's request for information needed for the proposed temporary rate change which included the following information: copies of invoices and contract for billing, collection and financial management, as well as operations; copies of invoices for parts, equipment and capital improvements; an explanation as to the proposed budgeted amount for sludge removal; copies of the Receiver's assistant's invoices and description of duties; copies of invoices owed to the operator and a spreadsheet setting out the total charges incurred and balance of \$40,592.35 owed to the Operator; historical data used in determining average gallonage usage per month per customer and an explanation of repairs implemented and expected.
- h. On February 8, 2010, the Receiver reviewed two invoices provided to the Operator by Electrical Solutions & Construction, inc., to install telemetry radio communication system between the water plant and the water tanks in the Water System. The Receiver submitted the invoices to TCEQ with the Receiver's response to TCEQ's request for information needed for the proposed temporary rate change.
- i. On February 25, 2011, the Receiver forwarded a copy of the General Ledger from August 12, 2010, through February 25, 2011, to Elsie Pascua of TCEQ

12. The Receiver will continue to operate the System through the Operator.

This concludes the Receiver's Monthly Report for the month ending February 28, 2011.

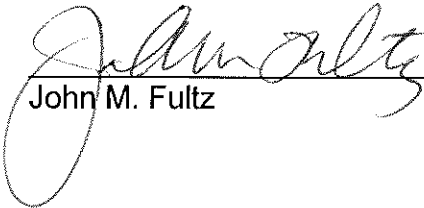
Respectfully Submitted,


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 February, 2011, for the Buena Vista Water System, was forwarded via email on the 16th day of March, 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	375,500	Gallons
Water Sold This Month	279,630	Gallons
Water Loss	95,870	Gallons
Water Loss (%)	25.53	%

	Amount (\$)	# Of Accounts
Total Water	4,955.78	125
Total Reconnect Fee	50.00	2
Total Adjustments		
Total Sales Tax	49.56	125
Total Current Charges	5,055.34	125
<hr/>		
Amount Past Due 1-30 Days	91.72	2
Amount Past Due 31-60 Days	49.00	1
Amount Past Due Over 60 Days	369.64	2
Amount Of Overpayments/Prepayments	-4,744.63	115
Total Receivables	821.07	25

Total Receipts On Account	5,112.36	111
Net Change in Deposits	0.00	0
Amount of All Deposits	150.00	3
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	2,237	125
Average Water Charge For Active Meters	39.65	125

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		0	0	0	0.00	0.00
20,001-30,000		0	0	0	0.00	0.00
10,001-20,000		2	23,010	23,010	8.23	3.23
8,001-10,000		1	8,320	8,320	2.98	1.13
6,001-8,000		5	34,650	34,650	12.39	5.25
4,001-6,000		11	55,430	55,430	19.82	10.40
2,001-4,000		41	116,250	116,250	41.57	33.75
1-2,000		54	41,970	41,970	15.01	38.91
Zero Usage		11	0	0	0.00	7.32
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Total Meters		125	279,630	279,630	100.00	100.00

2/28/2011

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System Totals Report

BUENA VISTA WATER SYSTEM

Monthly Reconciliation

Ending Receivables (Last Month)		878.09
Sales this Month	+	5,055.34
Adjustments this Month		0.00
Less Payments this Month	-	<u>5,112.36</u>
	=	821.07
Total Receivables		821.07
Ending Deposits (Last Month)		150.00
Changes this Month		<u>0.00</u>
	=	150.00
Total Memberships		150.00

Buena Vista Water System Receivership
Profit & Loss Detail
February 2011

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Ordinary Income/Expense								
Income								
Reconnects & Misc Adjustments								
General Journal	2/28/2011	7				Water Revenue	29.85	29.85
Total Reconnects & Misc Adjustments							29.85	29.85
Revenue								
Late Charge								
General Journal	2/28/2011	7				Water Revenue	4.06	4.06
Total Late Charge							4.06	4.06
Water Revenue								
Deposit	2/1/2011		Deposit			Compass Bank	91.18	91.18
Deposit	2/3/2011		Deposit			Compass Bank	45.06	136.24
Deposit	2/4/2011		Deposit			Compass Bank	77.31	213.55
Deposit	2/7/2011		Deposit			Compass Bank	63.99	277.54
Deposit	2/8/2011		Deposit			Compass Bank	724.55	1,002.09
Deposit	2/10/2011		Deposit			Compass Bank	1,188.64	2,190.73
Deposit	2/11/2011		Deposit			Compass Bank	233.97	2,424.70
Deposit	2/14/2011		Deposit			Compass Bank	649.58	3,074.28
Deposit	2/15/2011		Deposit			Compass Bank	734.44	3,808.72
Deposit	2/17/2011		Deposit			Compass Bank	139.44	3,948.16
Deposit	2/22/2011		Deposit			Compass Bank	437.94	4,386.10
Deposit	2/23/2011		Deposit			Compass Bank	218.97	4,605.07
Deposit	2/25/2011		Deposit			Compass Bank	114.27	4,719.34
Deposit	2/28/2011		Deposit			Compass Bank	393.02	5,112.36
General Journal	2/28/2011	7				-SPLIT-	-5,112.36	0.00
General Journal	2/28/2011	7				Water Revenue	5,026.50	5,026.50
Total Water Revenue							5,026.50	5,026.50
Total Revenue							5,030.56	5,030.56
Cost of Goods Sold								
Lab Fees								
Bill	2/1/2011	74-0111	City of Round R...	Feb Test		Accounts Pay...	15.00	15.00
Total Lab Fees							15.00	15.00
Management of Operations								
Bill	2/1/2011	9157	Gulf Utility Servi...	January Billing		Accounts Pay...	8,194.20	8,194.20
Total Management of Operations							8,194.20	8,194.20
Plant Utilities								
Electricity								
Check	2/4/2011	ACH	Padernales Elec...	2167-4051-00		Compass Bank	92.34	92.34
Total Electricity							92.34	92.34

Buena Vista Water System Receivership
Profit & Loss Detail
February 2011

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Check	Plant Utilities - Other 2/4/2011	ACH	Pedernales Elec...	104-8297-00		Compass Bank	202.49	202.49
	Total Plant Utilities - Other						202.49	202.49
	Total Plant Utilities						294.83	294.83
Check	Purchased Water 2/1/2011	ACH	Lower Colorado ...	ACCT # 0050...		Compass Bank	185.75	185.75
	Total Purchased Water						185.75	185.75
	Total COGS						8,689.78	8,689.78
	Gross Profit						-3,629.37	-3,629.37
	Expense							
Check	Bank Service Charges 2/28/2011			Service Charge		Compass Bank	41.32	41.32
	Total Bank Service Charges						41.32	41.32
	Professional Fees							
Bill	Receiver Assistant Fees 2/1/2011	01/2011	Hancock, Debbi...	Jan Asst. Fees		Accounts Pay...	250.00	250.00
	Total Receiver Assistant Fees						250.00	250.00
Bill	Receiver Fees 2/1/2011	01/2011	John M. Fultz, R...	Jan billing 12...		Accounts Pay...	1,519.00	1,519.00
	Total Receiver Fees						1,519.00	1,519.00
	Total Professional Fees						1,769.00	1,769.00
	Total Expense						1,810.32	1,810.32
	Net Ordinary Income						-5,439.69	-5,439.69
	Other Income/Expense							
	Other Income							
Deposit	Interest Income 2/28/2011			Interest		Compass Bank	0.19	0.19
	Total Interest Income						0.19	0.19
	Total Other Income						0.19	0.19
	Net Other Income						0.19	0.19
	Net Income						-5,439.50	-5,439.50

Buena Vista Water System Receivership
Balance Sheet Detail
 As of February 28, 2011

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
ASSETS								
Current Assets								6,927.15
Checking/Savings								6,927.15
Compass Bank								6,927.15
Deposit	2/28/2011			Deposit	X	Water Reve...	393.02	7,320.17
Check	2/28/2011			Service C...	X	Bank Servic...	-41.32	7,278.85
Deposit	2/28/2011			Interest	X	Interest Inco...	0.19	7,279.04
Total Compass Bank							351.89	7,279.04
Total Checking/Savings							351.89	7,279.04
Accounts Receivable								0.00
Total Accounts Receivable								0.00
Other Current Assets								0.00
Total Other Current Assets								0.00
Total Current Assets							351.89	7,279.04
Fixed Assets								0.00
Accumulated Depreciation								0.00
Total Accumulated Depreciation								0.00
Furniture and Equipment								0.00
Total Furniture and Equipment								0.00
Total Fixed Assets								0.00
Other Assets								0.00
Total Other Assets								0.00
TOTAL ASSETS							351.89	7,279.04
LIABILITIES & EQUITY								
Liabilities								6,927.15
Current Liabilities								59,126.37
Accounts Payable								59,026.37
Accounts Payable								54,672.25
Total Accounts Payable								54,672.25
Total Accounts Payable								54,672.25
Total Accounts Payable								54,672.25
Credit Cards								0.00
Total Credit Cards								0.00
Other Current Liabilities								4,354.12
Payroll Liabilities								0.00
Total Payroll Liabilities								0.00

Buena Vista Water System Receivership
Balance Sheet Detail
 AS of February 28, 2011

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Receivers Escrow								4,292.40
Total Receivers Escrow								4,292.40
Regulatory Assessment								61.72
General Journal	2/28/2011	7				Water Reve...	51.95	113.67
Total Regulatory Assessment							51.95	113.67
Total Other Current Liabilities							51.95	4,406.07
Total Current Liabilities							51.95	59,078.32
Long Term Liabilities								100.00
Customer Water Deposit								100.00
Total Customer Water Deposit								100.00
Total Long Term Liabilities								100.00
Total Liabilities							51.95	59,178.32
Equity								-52,199.22
Opening Balance Equity								0.00
Total Opening Balance Equity								0.00
Retained Earnings								-42,872.41
Total Retained Earnings								-42,872.41
Net Income								-9,326.81
Total Net Income							299.94	-9,026.87
Total Equity							299.94	-51,899.28
TOTAL LIABILITIES & EQUITY							351.89	7,279.04

Buena Vista Water System Receivership A/P Aging Detail As of February 28, 2011

Type	Date	Num	Name	Due Date	Aging	Open Balance
Current						
Total Current						
1 - 30						
Bill	1/21/2011	9088	Gulf Utility Service, I...	1/31/2011	28	6,001.24
Bill	2/1/2011	9157	Gulf Utility Service, I...	2/11/2011	17	8,194.20
Bill	2/1/2011	01/2011	Hancock, Debbie -R...	2/11/2011	17	250.00
Bill	2/1/2011	01/2011	John M. Fultz, Rece...	2/11/2011	17	911.40
Total 1 - 30						15,356.84
31 - 60						
Bill	1/1/2011	12/2010	Hancock, Debbie -R...	1/11/2011	48	250.00
Bill	1/1/2011	12/2010	John M. Fultz, Rece...	1/11/2011	48	911.40
Total 31 - 60						1,161.40
61 - 90						
Bill	12/1/2010	9022	Gulf Utility Service, I...	12/11/2010	79	4,310.00
Bill	12/9/2010	11/2010	John M. Fultz, Rece...	12/19/2010	71	911.40
Bill	12/9/2010	11/2050	Hancock, Debbie -R...	12/19/2010	71	250.00
Total 61 - 90						5,471.40
> 90						
Bill	7/16/2010	cen.c...	DSHS Central Lab ...	7/26/2010	217	314.00
Bill	9/30/2010	09/2010	John M. Fultz, Rece...	10/10/2010	141	926.10
Bill	10/1/2010	8899	Gulf Utility Service, I...	10/11/2010	140	16,375.81
Bill	11/1/2010	8958	Gulf Utility Service, I...	11/11/2010	109	13,905.30
Bill	11/1/2010	10/2010	Hancock, Debbie -R...	11/11/2010	109	250.00
Bill	11/1/2010	10/2010	John M. Fultz, Rece...	11/11/2010	109	911.40
Total > 90						32,682.61
TOTAL						54,672.25



**GULF UTILITY
SERVICE, INC.**

February 4, 2011

Attention Buena Vista Water System Customers

Due to the recent loss in pressure a mandatory Boil Water Notice must be issued.

Boil Water Notification

Due to loss in pressure occurring on 2/3/2011, the Texas Commission on Environmental Quality (TCEQ) has required our public water system Buena Vista Water System, PWS ID 0270008, to notify all customers to boil their water prior to consumption.

To ensure destruction of all harmful bacteria and other microbes, water for drinking, cooking, and for making ice should be boiled and cooled prior to consumption. The water should be brought to a vigorous, rolling boil and then boiled for two minutes. In lieu of boiling, you may purchase bottled water or obtain water from some other suitable source.

When it is no longer necessary to boil the water, the water system officials will notify you that the water is safe for consumption. The rescind notice will be issued in the same manner as this Boil Water Notice.

If you have questions regarding this matter, you may contact Gulf Utility Service at 888-649-4433 or 281-355-1312. *If you would like to contact TCEQ, please call 512-239-4691*

We apologize in advance for any inconvenience. A Boil Water Rescind Notice will be issued once adequate pressure, disinfectant levels, and/or bacteriological quality and has provided TCEQ with testing results that indicate that the water no longer requires boiling.

Thank again,

Management

Gulf Utility Service, Inc.

Mailing Address:
P.O. Box 1629
Spring, TX 77383

Phone:
281.355.1312

Fax:
281.288.4844

Email:
gulfutility@gulfutility.net



**GULF UTILITY
SERVICE, INC.**

PO Box 1629, Spring, TX 77383

February 7, 2011

Attention: Valued Buena Vista Water System Customer

Boil Water Rescind Notice

On 2/3/2011 the Texas Commission on Environmental Quality (TCEQ) required **Buena Vista Water System, PWS ID 0270008** to issue a Boil Water Notice (BWN) to inform our customers that due to the presence of contaminants or an interruption in service, water from our system must be boiled prior to consumption.

Our system has taken the necessary corrective actions to restore adequate pressure, disinfectant levels, and/or bacteriological quality and has provided TCEQ with testing results that indicate that the water no longer requires boiling.

If you have questions, please contact Gulf Utility Service at 888-649-4433 or 281-355-1312.

Thank You,

Gulf Utility Service, Inc.

Mailing Address:
P.O. Box 1629
Spring, TX 77383

Phone:
281.355.1312

Fax:
281.288.4844

Email:
gulfutility@gulfutility.net