

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 <sup>th</sup> JUDICIAL DISTRICT

**RECEIVER'S MONTHLY REPORT**  
**BUENA VISTA WATER SYSTEM**  
**BURNET COUNTY, TEXAS**  
**For the Month Ending September 30, 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 September 30, 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 resume and operator's license are 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 for review and payment to the appropriate vendors.

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 September 2011, copies of which are attached.
7. 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.
8. The Receiver took the following actions during the month of September, 2011:
  - a. On September 1, 2011, the Receiver through the Operator, forwarded to all customers of the Hazy Hills Water System the Mandatory Stage III Water Use Restrictions Notice, a copy of which is attached hereto.
  - b. On September 2, 2011, the Receiver reviewed the Analysis Report for the following: All Metals, Volatile Organic Compounds by GC/MS, Haloacetic Acids, and Trihalomethanes by GC/MS. All lab results were acceptable for the samples submitted in the month of August, 2011. The results were forwarded to the Operator.
  - c. On September 14, 2011, the Receiver forwarded to the insurance agency an updated list of assets of the Buena Vista Water System to be insured.
  - d. On September 20, 2011, the Receiver reviewed correspondence dated September 9, 2011, from TCEQ regarding Notice of Violation for Total Haloacetic Acids for the 1<sup>st</sup> Quarter of 2011 and for the 2<sup>nd</sup> Quarter of 2011. The Notices were forwarded to the Operator with instructions to provide public notification using mandatory language to all customers of the Buena Vista Water System by October 9, 2011. The Receiver directed that proper parties at TCEQ be provided Notice and that the required Certificate of Delivery of Public Notice to Customers be provided timely.
  - e. On September 20, 2011, the Receiver conferred with Tracy Killebrew, the daughter and attorney-in-fact of Kathie Bryant. The Receiver was advised that Mrs. Killebrew would be acting under the Power of Attorney signed by Kathie Bryant. The Receiver requested a copy of the Power of Attorney before discussing specifics of the Water System with Mrs. Killebrew.
  - f. On or about September 22, 2011, the Receiver conferred with Tom Bohl, the Assistant Attorney General, regarding the telephone conversation with Tracy Killebrew, the daughter and attorney-in-fact of Kathie Bryant. A status of the financial position of the Water System was also discussed.

9. The Operator performed the tasks shown on the attached work orders for the reporting month.
10. The Receiver will continue to operate the System through the Operator.

This concludes the Receiver's Monthly Report for the month ending September 30, 2011.

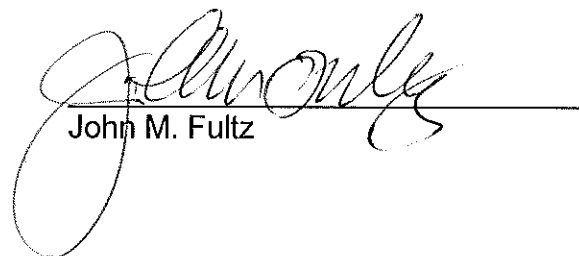
Respectfully Submitted,

  
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 September, 2011, for the Buena Vista Water System, was forwarded via email on the 1<sup>st</sup> day of November 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



**GULF UTILITY  
SERVICE, INC.**  
PO Box 1629, Spring, TX 77383

September 1, 2011

Attn: *Buena Vista Water System Customer*

### **MANDATORY Stage III Water Use Restrictions Notice**

As stated on Lower Colorado River Authority (LCRA) drought update page,  
<http://www.lcra.org/water/drought/index.html>.

*Texas and the lower Colorado River basin remain in severe drought as the region's oppressive hot and dry weather is showing no signs of letting up. The 10 months from October 2010 through July 2011 have been the driest for that 10-month period in Texas since 1895, when the state began keeping rainfall records. That record is likely to extend through August when the month is over. Across most of the Hill Country and the Austin area, rainfall since last October is between 16 and 20 inches below normal. Across Central Texas and the middle Texas coast, rainfall is running more than 20 inches below normal.*

In light of the severe conditions plaguing the area, Buena Vista Water System must implement **MANDATORY WATER USE RESTRICTIONS**. Buena Vista Water System is implementing Stage III Mandatory Water Use Restrictions in accord with the Buena Vista Drought Contingency Plan filed with Texas Commission on Environmental Quality.

Implementing Stage III measures will assist in achieving the goal of a 20 percent reduction in overall water consumption. In addition, successful implementation of water use restrictions may prevent more stringent restrictions if the drought persists.

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**The following MANDATORY Stage III water use restrictions shall apply to customers effective September 4, 2011 and will remain in effect until further notice.**

1. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to one day a week, designated below. Irrigation of landscaped area further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p and 12:00 midnight on designated watering days. However, irrigation of landscapes areas is permitted at anytime if it is by means of a hand-held hose a faucet filled bucket or watering can of five (5) gallon's or less, or drip Irrigation system.
  - Mondays for customers with a street address ending w the numbers 1, 2, or 3,
  - Wednesdays for customers with a street address ending with the numbers 4, 5, or 6,
  - Fridays for customers with a street address ending with the numbers 7, 8, 9, or 0.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped w a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any tithé the immediate premises of a commercial car wash or commercial service staff, Further, such washing may be exempted from these regulations if the health, safety and the welfare of the public is contingent frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
3. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or "jacuzzi" type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.

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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

4. Operation of any ornamental fountain or pond for aesthetic or scenic purposes prohibited except where necessary to support aquatic life or where such fountains ponds are equipped with a recirculation system.
  5. Use of water from hydrants or flush valves shall be limited to maintaining public he safety, and welfare.
  6. Use of water for the Irrigation of golf courses, parks, and green belt area Is prohibit except by hand held hose and only on designated watering days between the hours.12 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.
  7. The following uses of water are defined as non-essential and are prohibited:
    - a) Wash down of any sidewalks, walkways, driveways, parking lots, tennis courts or other hard surfaced areas;
    - b) Use of water to wash down buildings or structures for purposes other than immediate fire protection;
    - c) use of water for dust control;
    - d) flushing gutters or permitting water to run or accumulate in any gutter or street;
    - e) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
    - f) Any waste of water.
- 

Please utilize web-based tools developed by LCRA in order to provide information regarding the current drought conditions as well as water saving tips.

- [www.lcra.org/droughtupdate](http://www.lcra.org/droughtupdate)
- [www.watersmart.org](http://www.watersmart.org)

Thank you for your assistance in this matter. If you have any questions please feel free to call our office at 888-649-4433 or 281-355-1312.

Sincerely,

*Management*

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

Phone:  
281.355.1312

Fax:  
281.288.4844

Email:  
gulutility@gulutility.net

# System Totals Report

**BUENA VISTA WATER SYSTEM**

**Water Pumped This Month** 1,122,700 Gallons

**Water Sold This Month** 795,250 Gallons

**Water Loss** 327,450 Gallons

**Water Loss (%)** 29.17 %

	Amount (\$)	# Of Accounts
Total Water	6,225.34	122
Total Late Charge	13.34	1
Total Adjustments		
Total Contract Op	2,196.00	122
Total Receiver Fees	1,494.50	122
Total Regulatory Assess	62.26	122
Total Debt Repayment	3,328.82	122
<b>Total Current Charges</b>	<b>13,320.26</b>	<b>122</b>
<hr/>		
Amount Past Due 1-30 Days	508.33	4
Amount Past Due 31-60 Days	110.74	1
Amount Past Due Over 60 Days	912.95	2
Amount Of Overpayments/Prepayments	-12,040.69	110
<b>Total Receivables</b>	<b>2,811.59</b>	<b>23</b>

Total Receipts On Account	13,248.47	111
Net Change in Deposits	0.00	0
Amount of All Deposits	300.00	6

Turned Off Accounts (Amount Owed)	0.00	7
Collection Accounts (Amount Owed)	212.57	7
Number Of Unread (Turned On) Meters		

Average Usage For Active Meters	6,362	125
Average Water Charge For Active Meters	49.80	122

Usage Groups	Gallons	# Of Accounts	Usage	Gallons	% Of Usage	% Of Sales
Over 50,000		1	52,740		6.63	3.79
40,001-50,000		0	0		0.00	0.00
30,001-40,000		3	92,630		11.65	7.14
20,001-30,000		4	105,270		13.24	8.17
10,001-20,000		13	165,030		20.75	15.77
8,001-10,000		7	61,370		7.72	6.72
6,001-8,000		16	109,750		13.80	13.41
4,001-6,000		18	91,750		11.54	13.32
2,001-4,000		27	82,570		10.38	16.03
1-2,000		31	34,140		4.29	14.87
Zero Usage		5	0		0.00	0.79
<hr/>						
<b>Total Meters</b>		<b>125</b>	<b>795,250</b>		<b>100.00</b>	<b>100.00</b>

9/30/2011

2:15:25PM

# System Totals Report

BUENA VISTA WATER SYSTEM

## Monthly Reconciliation

Ending Receivables (Last Month)		2,739.80
Sales this Month	+	13,320.26
Adjustments this Month		0.00
Less Payments this Month	-	<u>13,248.47</u>
	=	2,811.59
Total Receivables		<b>2,811.59</b>
Ending Deposits (Last Month)		300.00
Changes this Month		<u>0.00</u>
	=	300.00
Total Memberships		<b>300.00</b>

**Buena Vista Water System Receivership**  
**Profit & Loss Detail**  
 September 2011

1 AM  
 0/11  
 rual Basis

Type	Date	Num	Name	Memo	Cir	Split	Amount	Balance
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Reconnects &amp; Misc Adjustments</b>								
General Journal	9/30/2011	12				Water Revenue	0.00	0.00
Total Reconnects & Misc Adjustments								
<b>Revenue</b>								
<b>Contract Operations</b>								
General Journal	9/30/2011	12				Water Revenue	2,175.87	2,175.87
Total Contract Operations								
<b>Debt Repayment</b>								
General Journal	9/30/2011	12				Water Revenue	3,444.16	3,444.16
Total Debt Repayment								
<b>Late Charge</b>								
General Journal	9/30/2011	12				Water Revenue	17.58	17.58
Total Late Charge								
<b>Receiver Fees</b>								
General Journal	9/30/2011	12				Water Revenue	1,480.80	1,480.80
Total Receiver Fees								
<b>Water Revenue</b>								
Deposit	9/2/2011		Water Customer	Deposit		Compass Bank	614.94	614.94
Deposit	9/9/2011		Water Customer	Deposit		Compass Bank	549.39	1,164.33
Deposit	9/12/2011		Water Customer	Deposit		Compass Bank	2,437.51	3,601.84
Deposit	9/13/2011		Water Customer	Deposit		Compass Bank	2,318.06	5,919.90
Deposit	9/14/2011		Water Customer	Deposit		Compass Bank	176.18	6,096.08
Deposit	9/15/2011		Water Customer	Deposit		Compass Bank	1,508.20	7,604.28
Deposit	9/16/2011		Water Customer	Deposit		Compass Bank	902.86	8,507.14
Deposit	9/19/2011		Water Customer	Deposit		Compass Bank	1,000.91	9,508.05
Deposit	9/20/2011		Water Customer	Deposit		Compass Bank	1,221.29	10,729.34
Deposit	9/26/2011		Water Customer	Deposit		Compass Bank	1,634.31	12,363.65
Deposit	9/28/2011		Water Customer	Deposit		Compass Bank	396.79	12,760.44
Deposit	9/29/2011		Water Customer	Deposit		Compass Bank	384.32	13,144.76
Deposit	9/30/2011		Water Customer	Deposit		Compass Bank	103.71	13,248.47
General Journal	9/30/2011	12				-SPLIT-	-13,248.47	0.00
General Journal	9/30/2011	12				Water Revenue	6,028.54	6,028.54
Total Water Revenue								
Total Revenue								
							13,146.95	13,146.95
<b>Total Income</b>								
<b>Cost of Goods Sold</b>								
<b>Lab Fees</b>								
Bill	9/15/2011	cen.c...	DSHS Central Lab ...	Labs: August		Accounts Pay...	761.00	761.00
Total Lab Fees								
							761.00	761.00



**Buena Vista Water System Receivership**  
**Profit & Loss Detail**  
September 2011

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Management of Operations	9/1/2011							
Bill			Gulf Utility Service, ...	August Oper...		Accounts Pay...	6,279.81	6,279.81
Total Management of Operations							6,279.81	6,279.81
Purchased Water	9/9/2011	ACH	Lower Colorado Riv...	07/11-08/12		Compass Bank	534.26	534.26
Check							534.26	534.26
Total Purchased Water							7,575.07	7,575.07
Total COGS							5,571.88	5,571.88
Gross Profit								
Expense								
Bank Service Charges	9/30/2011						38.49	38.49
Check						Compass Bank	38.49	38.49
Total Bank Service Charges							38.49	38.49
Professional Fees								
Receiver Assistant Fees	08/20...		Hancock, Debbie -R...	Aug Asst. Fees		Accounts Pay...	250.00	250.00
Bill	9/1/2011						250.00	500.00
Bill	9/28/2011	09/20...	Hancock, Debbie -R...	Sept 2011		Accounts Pay...	250.00	500.00
Total Receiver Assistant Fees							500.00	500.00
Receiver Fees								
Bill	9/1/2011	08/20...	John M. Fultz, Rece...	August billin...		Accounts Pay...	1,506.75	1,506.75
Bill	9/28/2011	09/20...	John M. Fultz, Rece...	Sept 2011		Accounts Pay...	1,494.50	3,001.25
Total Receiver Fees							3,001.25	3,001.25
Total Professional Fees							3,501.25	3,501.25
Telephone Expense								
Check	9/1/2011	ACH	Verizon	512-793-263...		Compass Bank	38.57	38.57
Check	9/9/2011	1070	Verizon	Sept 2011		Compass Bank	38.57	77.14
Total Telephone Expense							77.14	77.14
Total Expense							3,616.88	3,616.88
Net Ordinary Income							1,955.00	1,955.00
Other Income/Expense								
Other Income								
Interest Income	9/30/2011			Interest		Compass Bank	0.27	0.27
Deposit							0.27	0.27
Total Interest Income							0.27	0.27
Total Other Income							0.27	0.27
Net Other Income							0.27	0.27
Net Income							1,955.27	1,955.27

AM  
2011  
Annual Basis

Buena Vista Water System Receivership  
Balance Sheet  
As of September 30, 2011

	<u>Sep 30, 11</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Compass Bank	6,936.41
<b>Total Checking/Savings</b>	<u>6,936.41</u>
<b>Total Current Assets</b>	<u>6,936.41</u>
<b>TOTAL ASSETS</b>	<u><u>6,936.41</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	18,343.45
<b>Total Accounts Payable</b>	<u>18,343.45</u>
<b>Other Current Liabilities</b>	
John Fultz, Individually	36,671.31
Receivers Escrow	9,148.30
Regulatory Assessment	551.96
<b>Total Other Current Liabilities</b>	<u>46,371.57</u>
<b>Total Current Liabilities</b>	64,715.02
<b>Long Term Liabilities</b>	
Customer Water Deposit	300.00
<b>Total Long Term Liabilities</b>	<u>300.00</u>
<b>Total Liabilities</b>	65,015.02
<b>Equity</b>	
Retained Earnings	-42,872.41
Net Income	-15,206.20
<b>Total Equity</b>	<u>-58,078.61</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>6,936.41</u></u>

AM  
1/11

**Buena Vista Water System Receivership**  
**A/P Aging Detail**  
As of September 30, 2011

Type	Date	Num	Name	Due Date	Aging	Open Balance
<b>Current</b>						
Bill	9/28/2011	09/20...	John M. Fultz, Rece...	10/8/2011		896.70
<b>Total Current</b>						896.70
<b>1 - 30</b>						
Bill	9/1/2011	08/20...	John M. Fultz, Rece...	9/11/2011	19	904.05
Bill	9/1/2011		Gulf Utility Service, ...	9/11/2011	19	6,279.81
<b>Total 1 - 30</b>						7,183.86
<b>31 - 60</b>						
Bill	8/1/2011	07/20...	John M. Fultz, Rece...	8/11/2011	50	911.40
<b>Total 31 - 60</b>						911.40
<b>61 - 90</b>						
Bill	7/1/2011	06/20...	John M. Fultz, Rece...	7/11/2011	81	904.05
Bill	7/5/2011	0630...	Fultz & Fultz, LLC	7/15/2011	77	100.00
<b>Total 61 - 90</b>						1,004.05
<b>&gt; 90</b>						
Bill	9/30/2010	09/20...	John M. Fultz, Rece...	10/10/2010	355	926.10
Bill	11/1/2010	10/20...	John M. Fultz, Rece...	11/11/2010	323	911.40
Bill	12/9/2010	11/20...	John M. Fultz, Rece...	12/19/2010	285	911.40
Bill	1/1/2011	12/20...	John M. Fultz, Rece...	1/11/2011	262	911.40
Bill	2/1/2011	01/20...	John M. Fultz, Rece...	2/11/2011	231	911.40
Bill	3/1/2011	02/20...	John M. Fultz, Rece...	3/11/2011	203	918.75
Bill	3/31/2011	03/20...	John M. Fultz, Rece...	4/10/2011	173	926.10
Bill	5/1/2011	04/20...	John M. Fultz, Rece...	5/11/2011	142	904.05
Bill	5/9/2011	05/04...	Fultz & Fultz, LLC	5/19/2011	134	108.09
Bill	6/1/2011	05/20...	John M. Fultz, Rece...	6/11/2011	111	918.75
<b>Total &gt; 90</b>						8,347.44
<b>TOTAL</b>						<b>18,343.45</b>

Thursday, September 1, 2011  
3:56:05PM

Page 1 of 1

# Work order #1629

Pending

## BUENA VISTA WATER SYSTEM

Start Time: 9:00 AM End Time: 10: AM Mileage: \_\_\_\_\_ Reading: \_\_\_\_\_  
 Requested By: alicia Date Issued: 9/1/11 To be Completed by: 9/1/2011 0:00AM  
 Assigned By: Allen Barrell Date Completed: 9-2-11 By: SK  
 Assigned To: Allen Barrell

Workorder Type Leak

Workorder Notes: Customer has leak on his side of the meter. Valve will not close just turns.

Account #: 4 JOHN & YVONNE FISCO Phone: (432)682-7226  
 Meter #: No Number HCR 4 BOX 979  
 Route #: 1 Seq #: 429  
 Last Reading 91808 front yard  
 Prev Reading 89680 Last Usage: 21280  
 Date Last Read 9/1/11

				Meter ID			
1/3/11	290	3/31/11	180	7/1/11	3,510	9/30/10	2,040
1/30/11	1,870	5/1/11	3,510	7/31/11	7,770	11/1/10	440
3/1/11	1,190	5/31/11	2,060	7/31/10	2,260	12/1/10	290

PART #	USED	DESCRIPTION	ADDITIONAL PART	USED
--------	------	-------------	-----------------	------

Field Notes:

Changed cut-off.  
Replaced meter.

old meter out. Neptune # 41874351  
 reading 091948 [ ]  
 New meter in Neptune # 90053008  
 reading 000001 [ ]

The physical address is 108 Bluebonnet Circle

Gulf Utility Service, Inc.

Friday, September 23, 2011  
10:55:36AM

# Work order #1709

Pending

BUENA VISTA WATER SYSTEM

Start Time: \_\_\_\_\_ End Time: \_\_\_\_\_ Mileage: \_\_\_\_\_ Reading: \_\_\_\_\_  
 Requested By: alicia Date Issued: 9/23/11 To be Completed by: 9/23/2011 0:00AM  
 Assigned By: Allen Burrell Date Completed: \_\_\_\_\_ By: \_\_\_\_\_  
 Assigned To: Allen Burrell

Workorder Type See Notes

Workorder Notes: please reread meter 5830.5

Account #: 24 MERRICK, JOHN Phone: (512)793-4885  
 Meter #: No Number HCR 4 BOX 1016  
 Route #: 1 Seq #: 979  
 Last Reading 50031 Side of House  
 Prev Reading 47153 Last Usage: 28780 08-22-11 CUSTOMER READ METER. 51836  
 Date Last Read 9/1/11 Meter ID

1/3/11	9,770	3/31/11	39,250	7/1/11	56,680	9/30/10	22,600
1/30/11	8,320	5/1/11	38,260	7/31/11	54,830	11/1/10	22,600
3/1/11	11,530	6/1/11	23,080	8/31/10	45,600	12/1/10	12,930

PART #	USED	DESCRIPTION	ADDITONAL PART	USED
--------	------	-------------	----------------	------

Field Notes: