

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

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| 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 September 30, 2012

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, 2012, 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 the reporting month, 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 continuous and adequate supply of water to the customers of the Water System.
8. The Receiver took the following actions during the reporting month:
 - a. On September 4, 2012, the Receiver prepared correspondence to Susan Roth, Engineer, regarding a supplement to the Receiver's prior report of options submitted as the Receiver's Status Report submitted to TCEQ and filed with the Court.
 - b. On or about September 5, 2012, the Receiver, acting in his capacity as attorney for the receivership, discussed the ending of the receivership in February 2013 and the proposed extension of the receivership with Keith Kebodeaux, Attorney for Kathie Bryant, owner of the Water System.
 - c. On or about September 6, 2012, the Receiver reviewed TCEQ correspondence dated August 28, 2012, regarding the Notice of Violations of Trihalomethanes for quarter three in 2012. The correspondence was forwarded to the operator for action by the deadline of November 26, 2012.
 - d. On or about September 12, 2012, the Receiver confirmed that the emergency contact information was up to date regarding the Public Drinking Water Systems of Texas for the TCEQ Homeland Security database.
 - e. On September 14, 2012, the Receiver followed up with Keith Kebodeaux, Tom Bohl, and Terry Webb regarding the proposed extension of the Receivership.
 - f. The Receiver, through the Operator, is gathering technical data to submit to the engineer to ascertain if it may be appropriate to seek an alternative capacity requirement if the system qualifies under 290.45 (g).
 - g. The Receiver is in the process of gathering financial data and technical information to prepare the Application for Rate Change to be submitted upon completion to TCEQ.
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.

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This concludes the Receiver's Monthly Report for the month ending September 30, 2012.

Respectfully Submitted,

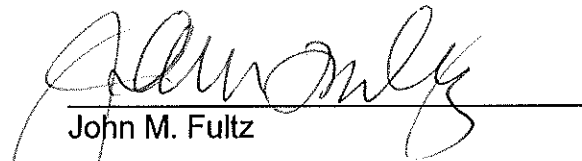


John M. Fultz, Receiver
P. O. Box 868
Navasota, Texas 77868
936-825-7833
936-825-2354 fax

Certificate of Service

I, John M. Fultz, Receiver, certify that a copy of the foregoing Receiver's Monthly Report for the month of September, 2012, for the Buena Vista Water System, was forwarded via email on the 31st day of December, 2012, 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
Ms. Tracy Killebrew, Attorney in Fact for Kathie Bryant



John M. Fultz