

CAUSE NO. GV 3-02530

STATE OF TEXAS

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IN THE DISTRICT COURT

v.

OF TRAVIS COUNTY, TEXAS

ROGER BOYD d/b/a/
ROCKET WATER

261st JUDICIAL DISTRICT

COURT APPOINTED RECEIVER'S REPORT FOR NOVEMBER 2006

Now comes Stan M. Putman, Jr., Court Appointed Receiver of Rocket Water Company, and files the report for the Receiver for the month of November 2006, attached hereto as Exhibit "A" and incorporate herein by reference for all purposes. The receivership was initiated on September 8, 2003.

Respectfully submitted

STAN M. PUTMAN, JR., COURT APPOINTED RECEIVER
For ROCKET WATER COMPANY



Stan M. Putman, Jr.
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Austin, Texas 78746
(512) 328-9099 Telephone
(512) 328-4132 Facsimile

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above Court Appointed Receiver's Report for November 2006 has been sent by First Class Mail on this the 11th day of December 2006 to:

Office of Attorney General
Attn: Mr. Tom Bohl
Natural Resources Division
P.O. Box 12548
Austin, Texas 78711

TCEQ
Attn: Mr. Andy Lutringer
P.O. Box 13087
Austin, Texas 78711

Mr. J.D. Sitter
Woodlands Subdivision
P.O. Box 511
San Marcos, Texas 78667

Mr. Roger Boyd
113 Bogie Drive
San Marcos, Texas 78666

PGMS
Attn: Mr. Pat King
26550 Ranch Road 12, Unit 1
Dripping Springs, Texas 78620

Mr. Ken Naquin
Briarwood Subdivision
115 Robin Way
San Marcos, Texas 78666

BSEACD
Attn: Mr. John Dupnik
1124 Regal Row
Austin, Texas 78748

City of Hays
Attn: Mr. Wayne Ford
P.O. Box 1285
Buda, Texas 78610

Mr. Phil A. Suitt
Oak Forest POA
121 Oak Forest Drive
Buda, Texas 78610

Stan M. Putman, Jr.

Stan M. Putman, Jr.

ROCKET WATER SYSTEM RECEIVER'S REPORT - EXHIBIT "A"

Supporting Documentation Enclosed:

Banking Summary Report – Briarwood/Woodlands

Banking Summary Report – Oak Forest

I. Inventory of All Property.

The inventory has not changed since last reporting period.

II. Business Transactions for this Period.

Financial Statements have been prepared for the period ending **November 2006.**

1) Oak Forest Water System

- a. For this period, income from the sale of water services and surcharge and interest was received totaling **\$6,470.38**
- b. For this period, checks have been disbursed totaling **\$6,346.03**
- c. This resulted in net operating capital remaining of **\$124.35**

2) Briarwood/Woodlands Water System

- a. For this period, income from the sale of water services and surcharge and interest was received totaling **\$5,371.84**
- b. For this period, checks have been disbursed totaling **\$5,045.71**
- c. This resulted in net operating capital remaining of **\$326.13**

III. Status of System's Accounts.

Water bills were rendered on or about **November 16, 2006** for the previous 30-day period.

1) Oak Forest Water System

- a. **97** water customers were billed.
- b. The total of current charges amounts to **\$6,644.32**

2) Briarwood/Woodlands Water System

- a. **58** water customers were billed.
- b. The total of current charges amounts to **\$6,318.21**

IV. Significant Events to Bring the System into Compliance.

- 1) The Critical Stage III Drought issued by the Barton Springs/Edwards Aquifer Conservation District on September 15, 2006 for the Oak Forest water system remains in effect.
- 2) The Stage II Demand Management/Critical Period Management issued by the Edwards Aquifer Authority on September 8, 2006 for the Briarwood/Woodlands water system remains in effect.
- 3) Notices of exceptional water consumption dated November 10, 2006 were mailed to Oak Forest customers as required by the Barton Springs/Edwards Aquifer Conservation District. For November, there were 7 water connections in the Oak Forest water system that met the exceptional usage definition, 1 of which was a second time offender, 2 of which were third time offenders, and 4 of which were fourth time offenders who received violation notices.
- 4) Notices of exceptional water consumption dated November 10, 2006 were mailed to Briarwood/Woodlands customers as required by the Edwards Aquifer Authority. For November, there was 1 water connection in the Briarwood/Woodlands water system that met the exceptional usage definition.
- 5) Cause Number 2005-CI-17842, styled *Edwards Aquifer Authority vs. Marvin Roger Boyd d/b/a Rocket Water, and Stan M. Putman, Jr., in his Official Capacity as Receiver for Rocket Water*, filed in the 224th Judicial District Court, Bexar County, Texas, remains pending.
- 6) Negotiations for the sale of the Oak Forest water system are ongoing with John Carlton of Armbrust & Brown, L.L.P., counsel for Oak Forest Water Supply Corporation.
- 7) Due to the Stage II Demand Management/Critical Period Management declared by Edwards Aquifer Authority, additional Senior water withdrawal rights for the third quarter of 2006 were acquired for the Briarwood/Woodlands water systems. An application was submitted to Edwards Aquifer Authority on September 29, 2006, approval was granted by correspondence received November 30, 2006. The Receiver continues to attempt to acquire permanent and/or long-term withdrawal rights for 2007 and the subsequent years.
- 8) After Application for Conservation Credits based on past minimal usage, the Barton Springs Edwards Aquifer Conservation District notified the Receiver that the water system did not meet the requirements for Conservation Credits for fiscal year 2006.
- 9) Systems are operating adequately at this time.
- 10) On November 6, 2006, the Receiver was provided with information about meetings to be held by the Texas Commission on Environmental Quality on November 28th and 30th to discuss the Edwards Aquifer Protection Program. The information was forwarded to the Oak Forest, Briarwood, and Woodlands designated contacts via email on November 8, 2006 for dissemination to all interested customers.

V. **Customer Complaint Record.** In the month of November 2006 the following communications were received from customers:

1) **Oak Forest water system:**

Number	Items
_____	- Calls regarding low water pressure
_____	- Calls regarding no water
_____	- Calls regarding water line leaks
_____	- Calls regarding color of water
_____	- Calls regarding sediment in water
_____	- Calls regarding water odor
_____	- Other: Calls about service set up or tap
_____	- Other: Calls about disconnects/payment agreements
<u>2</u>	- Other: Calls about invoice (fees/account/usage/surcharge)
<u>3</u>	- Other: Calls/correspondence about drought and water restrictions

2) **Briarwood/Woodlands water system:**

Number	Items
_____	- Calls regarding low water pressure
_____	- Calls regarding no water
_____	- Calls regarding water line leaks
_____	- Calls regarding color of water
_____	- Calls regarding sediment in water
_____	- Calls regarding water odor
_____	- Other: Calls about service set up or tap
_____	- Other: Calls about disconnects/payment agreements
_____	- Other: Calls about invoice (fees/account/usage/surcharge)
_____	- Other: Calls/Correspondence about drought and water restrictions

VI. **Water Accounting.** For the November 2006 billing period:

1) **Oak Forest Water System**

Pumped:	558,800	Gallons
through Master Meter (#2)	269,900	Gallons
through Interconnect (#1)	288,900	Gallons
Total Gallons Billed	479,490	Gallons
Gallons Used for Fire and Flushing Line	0	Gallons
Gallons Loss	79,310	Gallons
Percentage Loss	14.19 %	Loss

2) **Briarwood/Woodlands Water System**

Pumped through Master Meter(s)	322,200	Gallons
Total Gallons Billed	301,810	Gallons
Gallons Used for Fire and Flushing Line	4,000	Gallons
Gallons Loss	16,390	Gallons
Percentage Loss	5.09 %	Loss

VII. Current Assets & Current Liabilities.

1) Oak Forest Water System

a.	Current Assets	
	Account Receivables/Water Revenues	\$17,686.88
	Personal Property (2006 value)	\$20,000.00
	Real Property (2005 value)	\$ 4,810.00
	Total Current Assets	\$42,496.88
d.	Current Liabilities/Accounts Payable	
	Management Fees (November)	\$1,368.22
	Management Expenses (November)	\$Unknown +/-
	Capital Improvements/Repairs (November)	\$Unknown +/-
	Total Current Known Liabilities	\$1,368.22 +/-

2) Briarwood/Woodlands Water System

a.	Current Assets	
	Account Receivables/Water Revenues	\$ 9,563.38
	Personal Property (2006 value)	\$11,430.00
	Total Current Assets	\$20,993.38
b.	Current Liabilities/Accounts Payable	
	Management Fees - Routine (November)	\$912.15
	Management Expenses (November)	\$Unknown +/-
	Capital Improvements/Repairs (November)	\$Unknown +/-
	Total Current Known Liabilities	\$912.15 +/-

VIII. Statement of Cash Flow.

1) **Oak Forest Water System:**

Reporting Period

11/1/06-11/30/06

		11/1/06-11/30/06
Beginning Cash Balance	\$	17,562.53
<i>Cash Receipts</i>		
Water Service Billings	\$	6,469.36
Banking Account - Interest	\$	1.02
Total Cash Available	\$	24,032.91
<i>Cash Disbursements</i>		
Receiver Fees	\$	768.00
Receiver Operating Expenses	\$	1,205.91
Receiver Fees - ESCROW (20%)	\$	192.00
Management Operating Fees and Expenses	\$	1,733.76
Misc - Rate Application Professional Services		
Attorney Fees - Rate Application Dispute		
Attorney Fees		
Accounting Fees		
Utilities - Water	\$	696.88
Utilities - Electric	\$	210.60
Utilities - Barton Springs Water Conservation Fee	\$	297.50
TNRCC Regulatory Assessment Fees	\$	150.00
Dept of State Health Services - Water Analysis Fee		
Taxes - Personal Property		
Taxes - Real Property		
Customer Reimbursements/Refunds		
Capital Improvements/System Repairs	\$	1,091.38
Other - Annual Receiver Bond		
Bank Service Charge		
Return Item Chargeback		
Return Item Fee		
Transfer to Briarwood/Woodlands		
Total Disbursements	\$	6,346.03
Ending Cash Balance	\$	17,686.88

2. Briarwood/Woodlands:

<i>Reporting Period</i>	11/1/06-11/30/06	
Beginning Cash Balance	\$	9,237.25
<i>Cash Receipts</i>		
Water Service Billings	\$	5,371.21
Transfer from Oak Forest		
Banking Account - Interest	\$	0.63
Total Cash Available	\$	14,609.09
<i>Cash Disbursements</i>		
Receiver Fees	\$	432.00
Receiver Operating Expenses	\$	678.32
Receiver Fees - ESCROW (20%)	\$	108.00
Management Operating Fees and Expenses	\$	1,280.97
Misc - Rate Application Services		
Attorney Fees - Rate Application Dispute		
Attorney Fees - Other Claims/Disputes	\$	160.3
Accounting Fees		
Utilities - Electric	\$	125.87
Utilities - Edwards Aquifer Water Conservation Fee		
TNRCC Regulatory Assessment Fees		
Dept of State Health Services - Water Analysis Fee		
Taxes - Personal Property	\$	1.93
Customer Reimbursements/Refunds		
Capital Improvements/System Repairs	\$	2,402.59
Other - Annual Receiver Bond		
Bank Service Charge		
Return Item Chargeback		
Return Item Fee		
Miscellaneous Bank Adjustments		
EAA Water Rights Acquisition Fees		
Miscellaneous Bank Adjustments		
Total Disbursements	\$	5,045.71
Ending Cash Balance	\$	9,563.38