

CAUSE NO. GV 3-02530

STATE OF TEXAS

§

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 JANUARY 2007

Now comes Stan M. Putman, Jr., Court Appointed Receiver of Rocket Water Company, and files the report for the Receiver for the month of January 2007, 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

By: /S/
Stan M. Putman, Jr.
The Commissioners House at Heritage Square
2901 Bee Caves Road, Box L
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 January 2007 has been sent by First Class Mail on this the 14th day of February 2007 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

_____/S/_____
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 was reviewed and amended as shown on the attached Schedule A.

II. Business Transactions for this Period.

Financial Statements have been prepared for the period ending **January 31, 2007.**

1) Oak Forest Water System

- a. For this period, income from the sale of water services and surcharge and interest was received totaling **\$5,970.76**
- b. For this period, checks have been disbursed totaling **\$5,405.39**
- c. This resulted in net operating capital remaining of **\$565.37**

2) Briarwood/Woodlands Water System

- a. For this period, income from the sale of water services and surcharge and interest was received totaling **\$4,951.92**
- b. For this period, checks have been disbursed totaling **\$3,282.02**
- c. This resulted in net operating capital remaining of **\$1,669.90**

III. Status of System's Accounts.

Water bills were rendered on or about **January 18, 2007** 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 **\$7,122.07**

2) Briarwood/Woodlands Water System

- a. **61** water customers were billed.
- b. The total of current charges amounts to **\$4,451.96**

IV. Significant Events to Bring the System into Compliance.

- 1) There were no line breaks in the Oak Forest or the Briarwood/Woodlands subdivisions that were repaired during the month.
- 2) The systems are operating adequately at this time.
- 3) All bacterial tests were taken and submitted for the Oak Forest and Briarwood/Woodlands water systems.
- 4) On December 15, 2006 the Plaintiff filed its motion to dismiss claims against Stan M. Putman in 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. The order of dismissal was entered on December 18, 2007.
- 5) On December 19, 2006, the Receiver agreed to acquire water withdrawal rights for the Briarwoods/Woodlands well from the Edwards Aquifer Authority for 2007. The rights will be obtained by entering into a lease with Paul Geiger for 20 acre-feet of water from January 1, 2007 to December 31, 2007 for the amount of \$4,000. The appropriate paperwork was filed with Edward Aquifer Authority. Approval is pending but not yet received.
- 6) On January 5, 2007, the Receiver filed its Revenue and Regulatory Assessment Report with the Texas Commission on Environmental Quality.
- 7) On January 10, 2007, the Receiver initiated an investigation of the Oak Forest subdivision in response to excessive water loss reported in December 2006. The sensory probes in the storage tank were found to be faulty, resulting in an overflow. Repairs were made on January 25, 2006.
- 8) On January 10, 2007, the Receiver initiated an investigation of the Briarwood/Woodlands subdivisions in response to excessive water loss reported in December 2006. No cause has been determined and the investigation is ongoing at this time.
- 9) 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. At the hearing on Receiver's Application for Sale of Property, which was held on January 19, 2006 at 9:00 a.m., the Judge entered an Order granting the proposed sale.
- 10) 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.
- 11) Effective January 26, 2007, the Barton Springs/Edwards Aquifer Conservation District (BSEACD) lifted its Stage III Critical Drought Status and issued a Stage II Alarm Drought Status for the Oak Forest water system. Notices of the change in drought status will be mailed in this month's billings.
- 12) The Receiver filed its 2006 Annual Groundwater Withdrawal Report for the Briarwood/Woodlands water system with Edwards Aquifer Authority on January 31, 2007.

V. Customer Complaint Record.

In the month of **January 2007** 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>1</u>	- Other: Calls about invoice (fees/account/usage/surcharge)
_____	- Other: Calls/Correspondence about drought and water restrictions

2) Briarwood/Woodlands water system:

Number	Items
_____	- Calls regarding low water pressure
_____	- Calls regarding no water
<u>1</u>	- Calls regarding water line leaks
_____	- Calls regarding color of water
_____	- Calls regarding sediment in water
_____	- Calls regarding water odor
<u>2</u>	- Other: Calls about service set up or tap
_____	- Other: Calls about disconnects/payment agreements
<u>1</u>	- Other: Calls about invoice (fees/account/usage/surcharge)
_____	- Other: Calls/Correspondence about drought and water restrictions
<u>1</u>	- Other: Calls to advise of change in customer billing address

VI. Water Accounting. For the January 2007 billing period:

1) Oak Forest Water System

Pumped:	637,800	Gallons
through Master Meter (#2)	0	
through Interconnect (#1)	637,800	
Total Gallons Billed	528,380	Gallons
Gallons Used for Fire and Flushing Line	10,000	Gallons
Gallons Loss	99,420	Gallons
Percentage Loss	<u>15.59 %</u>	Loss

2) Briarwood/Woodlands Water System

Pumped through Master Meter(s)	466,900	Gallons
Total Gallons Billed	320,200	Gallons
Gallons Used for Fire and Flushing Line	2,300	Gallons

Gallons Loss	144,400	Gallons
Percentage Loss	<u>30.93 %</u>	Loss

VII. Current Assets & Current Liabilities.

1) Oak Forest Water System

a.	Current Assets	
	Account Receivables/Water Revenues	\$19,481.84
	Personal Property (2006 value)	\$20,000.00
	Real Property (2005 value)	\$ 4,810.00
	Total Current Assets	\$44,291.84
d.	Current Liabilities/Accounts Payable	
	Management Fees (Dec/Jan)	\$2,736.44
	Management Expenses (Dec/Jan)	\$Unknown +/-
	Capital Improvements/Repairs (Dec/Jan)	\$Unknown +/-
	Total Current Known Liabilities	\$2,736.44 +/-

2) Briarwood/Woodlands Water System

a.	Current Assets	
	Account Receivables/Water Revenues	\$15,295.98
	Personal Property (2006 value)	\$11,430.00
	Total Current Assets	\$26,725.98
b.	Current Liabilities/Accounts Payable	
	Management Fees - Routine (Dec/Jan)	\$1,824.30
	Management Expenses (Dec/Jan)	\$Unknown +/-
	Capital Improvements/Repairs (Dec/Jan)	\$Unknown +/-
	Total Current Known Liabilities	\$1,824.30 +/-

VIII. Statement of Cash Flow.

1) Oak Forest Water System:

<i>Reporting Period</i>	1/1/2007-1/31/2007	
Beginning Cash Balance	\$	18,916.47
<i>Cash Receipts</i>		
Water Service Billings	\$	5,969.91
Banking Account - Interest	\$	0.85
Total Cash Available	\$	24,887.23
<i>Cash Disbursements</i>		
Receiver Fees	\$	768.00
Receiver Operating Expenses	\$	459.85
Receiver Fees - ESCROW (20%)	\$	192.00
Management Operating Fees and Expenses	\$	1,622.28
Misc - Rate Application Professional Services		
Attorney Fees - Rate Application Dispute		
Attorney Fees		
Accounting Fees		
Utilities - Water	\$	1,179.01
Utilities - Electric	\$	54.39
Utilities - Barton Springs Water Conservation Fee		
TCEQ Regulatory Assessment Fees	\$	1,002.21
Dept of State Health Services - Water Analysis Fee		
Taxes - Personal Property		
Taxes - Real Property		
Customer Reimbursements/Refunds		
Capital Improvements/System Repairs		
Other - Annual Receiver Bond		
Bank Service Charge		
Return Item Chargeback	\$	122.65
Return Item Fee	\$	5.00
Transfer to Briarwood/Woodlands		
Total Disbursements	\$	5,405.39
Ending Cash Balance	\$	19,481.84

2. Briarwood/Woodlands:

<i>Reporting Period</i>		
Beginning Cash Balance	\$	13,626.08
<i>Cash Receipts</i>		
Water Service Billings	\$	4,951.22
Banking Account - Interest	\$	0.70
Total Cash Available	\$	18,578.00
<i>Cash Disbursements</i>		
Receiver Fees	\$	432.00
Receiver Operating Expenses	\$	258.66
Receiver Fees - ESCROW (20%)	\$	108.00
Management Operating Fees and Expenses	\$	1,101.31
Misc - Rate Application Services		
Attorney Fees - Rate Application Dispute		
Attorney Fees - Other Claims/Disputes		
Accounting Fees		
Utilities - Electric	\$	154.20
Utilities - Edwards Aquifer Water Conservation Fee		
TCEQ Regulatory Assessment Fee	\$	563.74
Dept of State Health Services - Water Analysis Fee		
Taxes - Personal Property		
Customer Reimbursements/Refunds		
Capital Improvements/System Repairs	\$	664.11
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	\$	3,282.02
Ending Cash Balance	\$	15,295.98

SCHEDULE A - INVENTORY

THE OAK FOREST WATER SYSTM - PWS ID No. 1050128

1 each	25.000 Gal. Grd. Storage Tank (Bulldog)
1 each	2500 Gal. Hydro Pressure Tank (Bulldog)
1 each	1395 BBL. Grd. Strg, Tank "OFF LINE" (not approved by TCEQ)
1 each	JACUZZI 7.5 hp booster pump (new)
1 each	JACUZZI 7.5 hp booster pump (new - not installed)
1 each	Booster pump - (rebuilt)
1 each	Square D Rooster pump Elec. Breaker Box (new)
1 each	Square D Well control Elec. Breaker Box (new)
1 each	Turner Control Model #TC-627D
1 each	Breaker Box (control panel & lights)
1 each	Hydro Tank Sight Ga. Tube & 100 psi Gauge
1 each	Water Well (in-service) 25gpm (BSEACD Permit No. P037-97-00)
1 each	Water Well (out of service)
1 each	LMI Milton Roy chemical injector pump (not working)
1 each	Craftsman 6hp; 30 gal.: 150 psi Air Compressor (new)
1 each	Control Bldg. 10' x 10'
1 each	Window vent fan
1 each	Small Shop Vacuum
2 each	Elec. Extension Cords
4 each	PVC Patio Chairs
2 each	PVC Patio Side Tables
1 each	Cutting Torch Rig
1 each	Extension Ladder 16 ft.
1 each	Rubbermaid 30 gal. Garbage Can
1 each	Lrg. Meter Box Lid
1 each	HACH c12 color meter (parts missing; not in good condition)
2 each	IN-LINE Booster pumps enclosed in PVC piping (brands and models unknown removed from system; not in use)
Several	Old Control Panels & Breaker Boxes (not to standards; removed from building)
Several	Florescent lighting fixtures (not working or broken; removed from building)
2 each	Square D size 2 combination starter
1 each	Square D 60 amp. disconnect
1 each	6x6x48 Gutter
1 each	3 pole J-Block
1 each	8'2" Lamp strip fixture
1 each	¾" solenoid valve
1 each	TPE Walchem metering pump with digital stroke
1 each	Tank-40 GL Clear DAT Tank
2 each	2" MJ 90 Bend CL
2 each	2" MJ 45 Bend CL
2 each	3x5 STL CPLG, EPOXY, Alloy B&N, OD 3.50
1 each	3x7-1/2 Clamp
Various	Water Lines
1 each	Meter Connections per water customer (***** as of 12/31/06 – Subject to Change)

THE BRIARWOOD AND WOODLANDS WATER SYSTEM – PWS ID No. 1050139

1 each	Well
1 each	2" Neptune Meter Neptune Meter with Positive Displacement Propeller, Serial Number 38759472, installed 1/2006
1 each	Pump installed 7/2/2006
1 each	Motor installed 7/2006
1 each	Electric Circuit
Various	Water Lines

1 each

Meter Connection per water customer (***** as of 12/31/06 – Subject to Change)