



## Filing Receipt

**Received - 2022-02-28 09:46:51 AM**  
**Control Number - 52408**  
**ItemNumber - 25**

**FEBRUARY 17, 2022 – SALE AND CLOSING DOCUMENTS CONVEYING  
AS DIRECTED BY THE 98<sup>TH</sup> DISTRICT COURT TRAVIS COUNTY THE  
SALE OF THE LAS PALOMAS WATER SERVICES COMPANY ASSETS  
TO THE SS WATER SUPPLY CORPORATION**

# A. Settlement Statement

U.S. Department of Housing  
and Urban Development

OMB No. 2502-0265

## B. Type of Loan

|   |                                       |  |                             |                |                             |
|---|---------------------------------------|--|-----------------------------|----------------|-----------------------------|
| 1. <input type="checkbox"/> FHA                   | 2. <input type="checkbox"/> FmHA      | 3. <input type="checkbox"/> Conv Unins     | 6. File Number<br>034128STC | 7. Loan Number | 8. Mortgage Ins Case Number |
| 4. <input type="checkbox"/> VA                    | 5. <input type="checkbox"/> Conv Ins. | 6. <input type="checkbox"/> Seller Finance |                             |                |                             |
| 7. <input checked="" type="checkbox"/> Cash Sale. |                                       |  |                             |                |                             |

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

|  |   |                             |
|--|---|-----------------------------|
| D. Name & Address of Borrower<br>S. S. Water Supply Corporation, a Chapter 67,<br>Texas Water Code Retail Public Utility<br>PO Box 1000,<br>10393 US Hwy 87 W<br>La Vernia, TX 78121 | E. Name & Address of Seller<br>Las Palomas Water Services Company, a<br>Texas Corporation<br>P. O. Box 342707<br>Austin, TX 78734 | F. Name & Address of Lender |
|--|---|-----------------------------|

## G. Property Location

Lake Valley Estates, Block 3, Lot 13, Water Well Site, 5.63 Acres, Wilson  
County, Texas  
163 Lake View Circle  
La Vernia, TX 78121

H. Settlement Agent Name  
Seguin Title Company  
202 N. Camp St. Ste. 110  
Seguin, TX 78155 Tax ID: 742734414  
Underwritten By: Fidelity

Place of Settlement  
Seguin Title Company  
202 N. Camp St., Suite 110  
Seguin, TX 78155

I. Settlement Date  
2/17/2022  
Fund: 2/17/2022

## J. Summary of Borrower's Transaction

|   |              |   |              |
|---|--------------|---|--------------|
| 100. Gross Amount Due from Borrower                 |              | 400. Gross Amount Due to Seller                     |              |
| 101. Contract Sales Price                           | \$156,840.00 | 401. Contract Sales Price                           | \$156,840.00 |
| 102. Personal Property                              |              | 402. Personal Property                              |              |
| 103. Settlement Charges to borrower                 | \$1,632.00   | 403.  |              |
| 104.  |              | 404.  |              |
| 105. Water Meters & Misc Personal Property          | \$52,929.74  | 405. Water Meters & Misc Personal Property          | \$52,929.74  |
| Adjustments for items paid by seller in advance     |              | Adjustments for items paid by seller in advance     |              |
| 106. City property taxes                            |              | 406. City property taxes                            |              |
| 107. County property taxes                          |              | 407. County property taxes                          |              |
| 108. Annual assessments                             |              | 408. Annual assessments                             |              |
| 109. School property taxes                          |              | 409. School property taxes                          |              |
| 110. MUD  |              | 410. MUD  |              |
| 111. HOA Fees                                       |              | 411. HOA Fees                                       |              |
| 112.  |              | 412.  |              |
| 113.  |              | 413.  |              |
| 114.  |              | 414. Funds recvd from receiver                      | \$834.24     |
| 115.  |              | 415.  |              |
| 116.  |              | 416.  |              |
| 120. Gross Amount Due From Borrower                 | \$211,401.74 | 420. Gross Amount Due to Seller                     | \$210,603.98 |
| 200. Amounts Paid By Or in Behalf Of Borrower       |              | 500. Reductions in Amount Due to Seller             |              |
| 201. Deposit or earnest money                       |              | 501. Excess Deposit                                 |              |
| 202. Principal amount of new loan(s)                |              | 502. Settlement Charges to Seller (line 1400)       | \$386.00     |
| 203. Existing loan(s) taken subject to              |              | 503. Existing Loan(s) Taken Subject to              |              |
| 204.  |              | 504. to   |              |
| 205.  |              | 505. to   |              |
| 206.  |              | 506.  |              |
| 207. Funds pd directly to seller                    | \$209,769.74 | 507. Funds pd directly to seller                    | \$209,769.74 |
| 208. Funds recvd from buyer                         | \$500.00     | 508.  |              |
| 209. Funds recvd from buyer                         | \$1,132.00   | 509.  |              |
| Adjustments for items unpaid by seller              |              | Adjustments for items unpaid by seller              |              |
| 210. City property taxes                            |              | 510. City property taxes                            |              |
| 211. County property taxes 01/01/22 thru 02/17/22   | \$409.85     | 511. County property taxes 01/01/22 thru 02/17/22   | \$409.85     |
| 212. Annual assessments                             |              | 512. Annual assessments                             |              |
| 213. School property taxes                          |              | 513. School property taxes                          |              |
| 214. Personal property taxes 01/01/22 thru 02/17/22 | \$38.39      | 514. Personal property taxes 01/01/22 thru 02/17/22 | \$38.39      |
| 215. HOA Fees                                       |              | 515. HOA Fees                                       |              |
| 216.  |              | 516.  |              |
| 217.  |              | 517.  |              |
| 218.  |              | 518.  |              |
| 219.  |              | 519.  |              |
| 220. Total Paid By/For Borrower                     | \$211,849.98 | 520. Total Reduction Amount Due Seller              | \$210,603.98 |
| 300. Cash At Settlement From/To Borrower            |              | 600. Cash At Settlement To/From Seller              |              |
| 301. Gross Amount due from borrower (line 120)      | \$211,401.74 | 601. Gross Amount due to seller (line 420)          | \$210,603.98 |
| 302. Less amounts paid by/for borrower (line 220)   | \$211,849.98 | 602. Less reductions in amt. due seller (line 520)  | \$210,603.98 |
| 303. Cash To Borrower                               | \$448.24     | 603. Cash Seller                                    | \$0.00       |

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: • HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services; • Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; • Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.

Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper. The Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information requested does not lend itself to confidentiality.

# A. Settlement Statement

U.S. Department of Housing  
and Urban Development

OMB No. 2502-0265

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| 4. <input type="checkbox"/> VA                    | 5. <input type="checkbox"/> Conv Ins. | 6. <input type="checkbox"/> Seller Finance | 034128STC      |                |                             |
| 7. <input checked="" type="checkbox"/> Cash Sale. |                                       |  |                |                |                             |

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|   |   |  |
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|   | Place of Settlement<br>Seguin Title Company<br>202 N. Camp St., Suite 110<br>Seguin, TX 78155   |  |

| J. Summary of Borrower's Transaction                |  |              |  | K. Summary of Seller's Transaction                  |  |              |  |
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| 109. School property taxes                          |  |              |  | 409. School property taxes                          |  |              |  |
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| 111. HOA Fees                                       |  |              |  | 411. HOA Fees                                       |  |              |  |
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| 202. Principal amount of new loan(s)                |  |              |  | 502. Settlement Charges to Seller (line 1400)       |  | \$386.00     |  |
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| 204.  |  |              |  | 504. to   |  |              |  |
| 205.  |  |              |  | 505. to   |  |              |  |
| 206.  |  |              |  | 506.  |  |              |  |
| 207.  |  |              |  | 507.  |  |              |  |
| 208.  |  |              |  | 508.  |  |              |  |
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| 216.  |  |              |  | 516.  |  |              |  |
| 217.  |  |              |  | 517.  |  |              |  |
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| 219.  |  |              |  | 519.  |  |              |  |
| 220. Total Paid By/For Borrower                     |  | \$448.24     |  | 520. Total Reduction Amount Due Seller              |  | \$834.24     |  |
| 300. Cash At Settlement From/To Borrower            |  |              |  | 600. Cash At Settlement To/From Seller              |  |              |  |
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| 302. Less amounts paid by/for borrower (line 220)   |  | \$448.24     |  | 602. Less reductions in amt. due seller (line 520)  |  | \$834.24     |  |
| 303. Cash From Borrower                             |  | \$210,953.50 |  | 603. Cash To Seller                                 |  | \$209,769.74 |  |

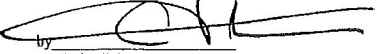
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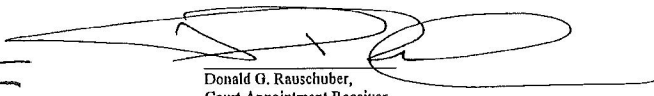
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| L. Settlement Charges                               |   |                         |           | Paid From                      | Paid From                    |
|---|---|-------------------------|-----------|--------------------------------|------------------------------|
| 700. Total Sales/Broker's Commission based on price | \$156,840.00                                  | @ % =                   | \$0.00    | Borrower's Funds at Settlement | Seller's Funds at Settlement |
| Division of Commission (line 700) as follows:       |   |                         |           |                                |                              |
| 701.  | to  |                         |           |                                |                              |
| 702.  | to  |                         |           | \$0.00                         | \$0.00                       |
| 703. Commission Paid at Settlement                  |   |                         |           |                                |                              |
| 704. The following persons, firms or                | to  |                         |           |                                |                              |
| 705. corporations received a portion                | to  |                         |           |                                |                              |
| 706. of the real estate commission amount           | to  |                         |           |                                |                              |
| 707. shown above:                                   | to  |                         |           |                                |                              |
| 800. Items Payable in Connection with Loan          |   |                         |           |                                |                              |
| 801. Loan Origination Fee %                         | to  |                         |           |                                |                              |
| 802. Loan Discount %                                | to  |                         |           |                                |                              |
| 803. Appraisal Fee                                  | to  |                         |           |                                |                              |
| 804. Credit Report                                  | to  |                         |           |                                |                              |
| 805. Lender's Inspection Fee                        | to  |                         |           |                                |                              |
| 806. Mortgage Insurance Application Fee to          | to  |                         |           |                                |                              |
| 807. Assumption Fee                                 | to  |                         |           |                                |                              |
| 808.  | to  |                         |           |                                |                              |
| 809.  | to  |                         |           |                                |                              |
| 810.  | to  |                         |           |                                |                              |
| 811.  | to  |                         |           |                                |                              |
| 900. Items Required by Lender To Be Paid in Advance |   |                         |           |                                |                              |
| 901. Interest from 2/17/2022 to 3/1/2022 @ \$0/day  |   |                         |           |                                |                              |
| 902. Mortgage Insurance Premium for months          | to  |                         |           |                                |                              |
| 903. Hazard Insurance Premium for years             | to  |                         |           |                                |                              |
| 904. Flood Insurance                                | to  |                         |           |                                |                              |
| 905. Second Lien Prepaid Interest                   | to  |                         |           |                                |                              |
| 1000. Reserves Deposited With Lender                |   |                         |           |                                |                              |
| 1001. Hazard insurance                              | months @                                      | per month               |           |                                |                              |
| 1002. Mortgage insurance                            | months @                                      | per month               |           |                                |                              |
| 1003. City property taxes                           | months @                                      | per month               |           |                                |                              |
| 1004. County property taxes                         | months @                                      | \$259.71                | per month |                                |                              |
| 1005. Annual assessments                            | months @                                      | per month               |           |                                |                              |
| 1006. School property taxes                         | months @                                      | per month               |           |                                |                              |
| 1007. MUD   | months @                                      | \$24.33                 | per month |                                |                              |
| 1008. HOA Fees                                      | months @                                      | per month               |           |                                |                              |
| 1011. Aggregate Adjustment                          |   |                         |           |                                |                              |
| 1100. Title Charges                                 |   |                         |           |                                |                              |
| 1101. Settlement or closing fee                     | to Seguin Title Company                       |                         |           | \$350.00                       | \$350.00                     |
| 1102. Abstract or title search                      | to  |                         |           |                                |                              |
| 1103. Title Examination                             | to  |                         |           |                                |                              |
| 1104. Title Insurance Binder                        | to  |                         |           |                                |                              |
| 1105. Document Preparation                          | to  |                         |           |                                |                              |
| 1106. Notary Fees                                   | to  |                         |           |                                |                              |
| 1107. Attorney's Fees                               | to  |                         |           |                                |                              |
| (includes above items numbers:                      | )   |                         |           | \$1,132.00                     |                              |
| 1108. Title Insurance                               | to Seguin Title Company                       |                         |           |                                |                              |
| (includes above items numbers:                      | )   |                         |           |                                |                              |
| 1109. Lender's coverage                             | \$0.00/\$0.00                                 |                         |           |                                |                              |
| 1110. Owner's coverage                              | \$156,840.00/\$1,132.00                       |                         |           |                                |                              |
| 1111. State of Texas Policy Guaranty Fee            | to Texas Title Insurance Guaranty Association |                         |           | \$2.00                         | \$0.00                       |
| 1112. Escrow Fee                                    | to  |                         |           |                                |                              |
| 1113. Courier Fee                                   | to  |                         |           |                                |                              |
| 1114. Tax Certificate Fee                           | to Seguin Title Company                       |                         |           |                                | \$36.00                      |
| 1115. E-Recording Fees                              | to  |                         |           |                                |                              |
| 1116.   | to  |                         |           |                                |                              |
| 1200. Government Recording and Transfer Charges     |   |                         |           |                                |                              |
| 1201. Recording Fees                                | Deed \$98.00 ; Mortgage ; Rel                 | to Willson County Clerk |           | \$98.00                        |                              |
| 1202. City/Council/Tax/Stamps                       | Deed ; Mortgage                               | to                      |           |                                |                              |
| 1203. State Tax/Stamps                              | Deed ; Mortgage                               | to                      |           | \$50.00                        |                              |
| 1204. Record Bill of Sale (estimated amt)           | to Willson County Clerk                       |                         |           |                                |                              |
| 1300. Additional Settlement Charges                 |   |                         |           |                                |                              |
| 1301. Survey  | to Rakowitz Engineering & Surveying           | POC (B) \$1,500.00      |           |                                |                              |
| 1302. Pest Inspection                               | to  |                         |           |                                |                              |
| 1303. Residential Service Warranty Fee              | to  |                         |           | \$1,632.00                     | \$386.00                     |

1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)  
 I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a completed copy of pages 1, 2 and 3 of this HUD-1 Settlement Statement.

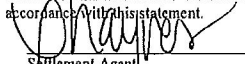
S. S. Water Supply Corporation, a  
Chapter 67, Texas Water Code  
Retail Public Utility

by   
Carlos Febus  
General Manager

  
Donald G. Rauschuber,  
Court Appointment Receiver  
for Las Palomas Water System  
Services Company, a Texas  
corporation, pursuant to order  
of the court in Cause No.  
D-1-GN-18-000837 in the 98th  
Judicial Court, Travis County,  
Texas

SETTLEMENT AGENT CERTIFICATION

The HUD-1 Settlement Statement which I have prepared is a true and accurate  
account of this transaction. I have caused the funds to be disbursed in  
accordance with this statement.

 \_\_\_\_\_ Date 2-17-2022

Warning: It is a crime to knowingly make false statements to the United  
States on this or any other similar form. Penalties upon conviction can  
include a fine and imprisonment. For details see: Title 18 U.S. Code Section  
1001 and Section 1010.

TO BE FILED IN THE WILSON COUNTY CLERK'S OFFICE IN THE:

- (1) UNIFORM COMMERCIAL CODE; AND
- (2) REAL PROPERTY RECORDS.

**RECEIVER'S BILL OF SALE**  
**Acting Upon Court Order on Behalf of**  
**Las Palomas Water Services Company**

**THE STATE OF TEXAS                   §**  
**§**       **KNOW ALL MEN BY THESE PRESENTS:**  
**COUNTY OF WILSON                   §**

That the Water System and Utility for which Donald G. Rauschuber was named Receiver, for Las Palomas Water Services Company a/k/a Las Palomas Water Services Company, LLC ("Receiver") on January 24, 2019, in Cause Number D-1-GN-18-000837, 98<sup>th</sup> Judicial District Court, Travis County, Texas, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to us in hand paid by S.S. Water Supply Corporation the receipt of which is hereby acknowledged, have Bargained, Sold and Delivered, by these presents do Bargain, Sell and Deliver, unto the said S.S. Water Supply Corporation of the County of Wilson and State of Texas all of the Receiver's rights, title and interest in the following described personal property, and warrant such property transfer is free from any liens and encumbrances, in Wilson County, State of Texas, to-wit:

All personal property associated with the Water System and Utility, including the water meters (Wilson County Property ID No. 35019), and all water mains, distribution lines, valves, and other water system appurtenances of any nature whatsoever, including all miscellaneous personal property standing in the name of the Water System and Utility necessary to own and operate the Water System and Utility, including all rights and benefits conferred by law by reason of ownership of and lawful perquisites related to PWS No. 2470020 and CCN 12308

And we do hereby bind ourselves, our heirs, executors, and administrators, to forever Warrant and Defend the title to the aforesaid property unto the said S.S. Water Supply Corporation its heirs and assigns, against the lawful claim or claims of any and all persons whomsoever.

EXECUTED this 17 day of February, 2022.

**Las Palomas Water Services Company  
a Texas Corporation, a/k/a Las Palomas  
Water Services Company, LLC**



Donald G. Rauschuber,  
*Its Court-Appointed Receiver, Acting  
Pursuant to the Order Approving Sale  
and Transfer of Water System and  
Utility signed February 15, 2022*

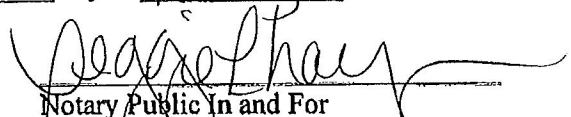
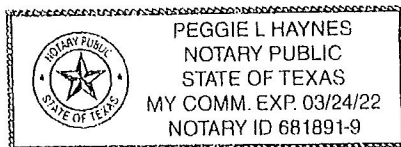
Attachment: February 15, 2022 Order Approving the Sale and Transfer of Water System and Utility in the *State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*, Cause No. D-1-GN-18-000837, in the 98<sup>th</sup> Judicial District Court of Travis County, Texas.

**THE STATE OF TEXAS §**

**COUNTY OF Guadalupe §**

Before me, the undersigned authority, on this day personally appeared Donald G. Rauschuber, Duly Authorized Receiver for **Las Palomas Water Services Company**, a Texas Corporation, a/k/a Las Palomas Water Services Company, LLC, known to me to be the person whose name subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and conditions therein expressed.

Given under my hand and seal of office on this 17 day of February, 2022.



Notary Public in and For  
The State of Texas

**Upon Recording Return To:**  
**S.S. Water Supply Corporation**  
**P.O. Box 1000**  
**La Vernia, Texas 78121**

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Receiver's Bill of Sale Acting Upon Court Order on Behalf of  
Las Palomas Water Services Company to S.S. Water Supply Corporation  
02/15/2022  
Page 2 of 2

No. D-1-GN-18-000837

STATE OF TEXAS,

Plaintiff,

v.

LAS PALOMAS WATER SERVICES  
COMPANY AND TEXAS RAIN  
HOLDING COMPANY, INC.,

Defendants.

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IN THE DISTRICT COURT OF TRAVIS COUNTY, TEXAS

TRAVIS COUNTY, TEXAS

98th JUDICIAL DISTRICT

Filed in The District Court  
of Travis County, Texas  
JAN 24 2019 BP  
209 M.  
At  
Veiva L. Price, District Clerk

### ORDER APPOINTING RECEIVER

On October 30, 2018, Plaintiff, the State of Texas ("State") filed its Application for a Receiver. On January 3, 2019, the State filed its Notice of Hearing and notified Defendants of this hearing. On January 24, 2019, the Court held a hearing on the State's Application for a Receiver. The State appeared through its Attorney General. Defendant Las Palomas Water Services Company DID NOT APPEAR/ APPEARED THROUGH COUNSEL. Defendant Texas Rain Holding Company, Inc. DID NOT APPEAR/ APPEARED THROUGH COUNSEL.

After consideration of the State's Application for a Receiver, the pleadings, affidavits, and evidence, the Court makes the following findings and orders the following relief:

#### THE COURT FINDS:

1. On February 20, 2018, the State filed this enforcement action for civil penalties, unpaid public health services fees, injunctive relief, and attorney's fees for violations of the Texas Commission on Environmental Quality's rules and regulations adopted under Chapter 341 of the Texas Health & Safety Code. All violations arise from Defendants' ownership and operation of a public water system, hereafter the "Water System and Utility," located 5 miles east of La Vernia



on Farm-to-Market Road 539, Wilson County, Texas, and legally described as Lake Valley Estates, Block 3, Lot 13 (U-1), Water Well Site, Acres 5.63.

2. Since at least 2002, Las Palomas Water Services Company ("Las Palomas") has been the owner of the Water System and Utility.

3. At all times relevant to the violations in this matter, Texas Rain Holding Company, Inc. ("Texas Rain") has been the operator of the Water System and Utility.

4. The Water System and Utility is a "utility," a "water utility," and a "retail public utility" as those terms are defined in Tex. Water Code § 13.002.

**Defendants Las Palomas and Texas Rain have abandoned operation of the Water System and Utility**

5. On at least twelve occasions, Texas Rain and Las Palomas have failed to maintain the free chlorine residual above 0.2 mg/L, as required by 30 Tex. Admin. Code § 290.110(b). Therefore, the Court finds that Defendants Las Palomas and Texas Rain have abandoned operation of the Water System and Utility by failing to provide appropriate water treatment, resulting in potential health hazards. Tex. Water Code § 13.412(f)(2).

6. Texas Rain and Las Palomas have failed to provide minimum water pressure at the Water System and Utility on at least twenty-three occasions, as required by 30 Tex. Admin. Code § 290.46; have failed to ensure that the pressure tank and associated valves and the electrical control boxes at the Water System and Utility are surrounded by an intruder-resistant fence, as required by 30 Tex. Admin. Code § 290.42(m); and have failed to maintain adequate storage tank capacity to service the Water System and Utility's customers, as required by 30 Tex. Admin. Code § 290.45. Therefore, the Court finds that Defendants Las Palomas and Texas Rain have abandoned operation of the Water System and Utility by failing to adequately maintain facilities, resulting in



potential health hazards. Tex. Water Code § 13.412(f)(3).

7. Texas Rain and Las Palomas have failed to report radionuclides, metal and minerals, volatile and synthetic organic contaminants, and Stage 2 disinfectant byproducts to TCEQ since at least 2013, as required by 30 Tex. Admin. Code §§ 290.106, .107, .108, .110, .115, .117. After the Water System and Utility exceeded the copper action level in 2012, Texas Rain and Las Palomas have failed to perform sampling of lead and copper from each entry point and monitoring of water quality parameters to determine the potential for corrosion, as required by 30 Tex. Admin. Code § 290.117. Texas Rain and Las Palomas have failed to submit copies of the public notices regarding water quality parameters monitoring, reports for the source water treatment, volatile organic contaminants sampling, nitrate sampling, metal and minerals sampling, disinfectant byproduct levels, and radionuclides sampling to TCEQ, as required by 30 Tex. Admin. Code § 290.122, indicating that they have not provided these notices to the Water System and Utility's customers. Therefore, the Court finds that Defendants Las Palomas and Texas Rain have abandoned operation of the Water System and Utility by failing to provide its customers and TCEQ with adequate notice of a health hazard or a potential health hazard. Tex. Water Code § 13.412(f)(4).

**A Receiver is necessary to guarantee continuous and adequate service to the Water System and Utility's customers**

8. Because Defendants Las Palomas and Texas Rain have abandoned operation of the Water System and Utility, the Court further finds that the appointment of a receiver is necessary to guarantee continuous and adequate service to the customers of the utility. Tex. Water Code § 13.412(b)(2).

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



**THE COURT THEREFORE ORDERS:**

9. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are hereby ENJOINED to turn over exclusive possession and control of all the following assets to the Receiver appointed herein:

- a. The Water System and Utility, providing water service under PWS No. 2470020 and CCN No. 12308, located 5 miles east of La Vernia on Farm-to-Market Road 539, Wilson County, Texas, and legally described as Lake Valley Estates, Block 3, Lot 13 (U-1), Water Well Site, Acres 5.63; and
- b. All real property, easements, pipes, fittings, housings, and other appurtenances and other property attached to or used in the said Water System and Utility; all monies generated by or through the said Water System and Utility, all current assets on hand, including cash, securities, cash equivalents, and all bank accounts used for the deposit of funds generated by or through that Water System and Utility and all current accounts receivable and all future accounts receivable generated by or through that Water System and Utility as they come due; and all water and other assets that in any way are produced by or used in connection with the said Water System and Utility, including all records of customer bills and payments, all records of accounts receivable or payable, all lists of customers, all maps showing the location of pipelines, valves, or meters, and all real estate records that in any way pertain to the Water System and Utility or the tracts on which they are located.

10. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED to deliver to the Receiver, immediately and in no event later than 7 days after the date the Court signs this Order, all property (including checks, cash, and cash equivalents) related in any way to the Water System and Utility, that Defendants or anyone else receive on or after the date the Court signs this Order. Within 7 days of the date the Court signs this Order, Defendants shall deliver an accounting of the receipt and handling of that property to the Receiver and to Plaintiff's attorney.

11. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED to cooperate with the Receiver, so that the Receiver can ensure continued water service to all customers of the Water System and Utility.

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



12. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED not to interfere in any way with the Receiver's sole right of possession and control of any of the assets hereby ordered to be turned over to the Receiver and not to interfere with any efforts by the Receiver to determine the nature, location, and amount of those assets.

13. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED to provide the Receiver, upon the Receiver's request, all records Defendants may possess or control that may assist the Receiver in performing his duties under this Order.

14. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED to forward to the Receiver, upon the Receiver's request, all correspondence relating to the Water System and Utility then in hand, and shall forward any additional correspondence as it is received.

15. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, shall, upon the Receiver's request, relinquish to the Receiver all documents and convey to the Receiver property, including leases that Defendants may own related to the Water System and Utility.

16. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, shall, upon the Receiver's request, convey to the Receiver the real property described in Paragraph 9(a) of this Order.

17. Defendants Las Palomas and Texas Rain, all their agents, servants, employees; and all persons acting in concert with them, are ENJOINED not to transact any business of the Water System and Utility in any manner whatsoever, except through the specific authority of this Court



or the Receiver, and not to commence or prosecute any action or appeal, including, but not limited to, arbitration or mediation, and not to obtain or attempt to obtain any preference, judgment, attachment, garnishment, or lien or make any levy against the said Water System and Utility, against the assets thereof, or against the Receiver, except by doing so in the receivership proceeding herein.

18. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED not to convey, dispose of, use, release, transfer, withdraw, allow to be withdrawn, or conceal in any manner any property or assets of Defendants related to the Water System and Utility, and not to dispose of any account, debt, deposit, equipment, or any other asset that Defendants may own, owe to, or hold for the benefit of the Water System and Utility or any of its customers, except that Defendants are specifically ORDERED to turn over all such property and assets to the exclusive control of the Receiver appointed herein.

**THE COURT FURTHER ORDERS:**

19. Any and all banks, savings and loan associations, trust companies, and any other persons, corporations, associations, depositories, and other legal entities are ENJOINED not to convert, dispose of, use, release, transfer, withdraw, allow to be withdrawn, or conceal in any manner any property or assets of Defendants related to the Water System and Utility, and not to dispose of any account, debt, deposit, equipment, or any other asset that Defendants may own, owe to, or hold for the benefit of the said Water System and Utility or any of its customers, except that they are specifically ORDERED to turn over such property and assets to the exclusive control of the Receiver appointed herein.

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



**THE COURT FURTHER ORDERS:**

20. Donald G. Rauschuber is hereby appointed Receiver of all property described in this Order, and that upon taking the oath and filing the bond required by law, the Receiver shall be authorized, subject to the control of the Court, to do any and all acts necessary to the proper and lawful conduct of the receivership, not limited to the following:

- a. Collect the assets (including, but not limited to, all real property, easements, wells, tanks, treatment facilities, pipes, fittings, chlorinators, housings, and other appurtenances and other property attached to or used in the said Water System and Utility; all monies generated by or through the said Water System and Utility, all current assets on hand, including cash, securities, cash equivalents, all bank accounts and all current accounts receivable and all future accounts receivable as they come due, and all water and other assets that in any way are produced by or through or used in connection with the said Water System and Utility, including all records of customer bills and payments, all records of accounts receivable or payable, all lists of customers, all maps showing the location of pipelines, valves, or meters, and all real estate records that in any way pertain to the Water System and Utility or the tracts on which it is located), and carry on the business of the Water System and Utility;
  - b. Provide continuous and adequate water utility service to the customers of said Water System and Utility, including, but not limited to, arranging for a wholesale water contract or interconnection with another water system;
  - c. Retain a certified operator(s) for the Water System and Utility and pay the operator(s) and pay all other reasonably necessary operating expenses out of income from the Water System and Utility at a reasonable rate as wages or bills come due; and bill and collect monies for water services;
  - d. Retain accountants, attorneys, engineers, consultants, or others, as necessary, and pay them out of income from the Water System and Utility as their bills come due; and have performed any necessary evaluation, maintenance, improvement, or repair on the said Water System and Utility;
1. The receiver may not contract for, or incur attorney's fees in excess of \$15,000.00 in the aggregate for the duration of this receivership, unless otherwise approved by the Court;
  2. The Receiver may not contract for, or incur engineering fees in excess of \$35,000.00 in the aggregate for the duration of this receivership, unless otherwise approved by the Court;

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



3. The Receiver may not contract for, or incur consulting fees or contractor fees in excess of \$25,000.00 in the aggregate for the duration of this receivership, unless otherwise approved by the Court.
- e. Accept and receive funds for the continuation of water utility service, open and close bank accounts, and take measures necessary to designate or change signatories on any such accounts;
  - f. Receive all payments due and owing for water service provided to the customers of the said Water System and Utility;
  - g. File and pursue applications for all necessary permits, licenses, rate orders, tariffs, and certificates as required by law, including, but not limited to, CCNs, transfers of the CCNs, and decertification of the CCNs under Chapter 13 of the Texas Water Code;
  - h. Incur risks, debts, liabilities, and obligations ordinarily incurred by owners, managers, and operators of similar business enterprises;
  - i. In cooperation with representatives of TCEQ, prepare a schedule of repairs and improvements to bring the Water System and Utility into compliance with applicable statutes and regulations in the shortest possible time with the funds available;
  - j. Provide quality control, operating procedure review, and financial and accounting services in compliance with good business practices and generally accepted accounting principles, and engineering services in conformance with good engineering practices;
  - k. Upon request to provide information requested by TCEQ and perform such other tasks as the Court or TCEQ may require for proper operation of the receivership;
  - l. Take all measures necessary to consummate the conveyance of all assets of the said Water System and Utility to a qualified person, subject to written approval by TCEQ; and
  - m. Perform such other duties as may be prescribed by the Court.

21. Nothing contained herein shall be construed to authorize the Receiver to sell or transfer Water System and Utility without further orders and authorization from the Court.

22. Notwithstanding the provisions of Paragraph 21 above, the Receiver shall take affirmative steps to investigate prospects for the sale of the Water System and Utility and report those prospects to the Court and the parties of record.

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



23. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED to cooperate with the Receiver in said conveyance and shall promptly provide the Receiver with all documents and signatures necessary to complete the conveyance.

24. Subject to such orders as this Court may hereafter issue, the Receiver shall hold any money coming into the possession of the Receiver and not expended for any of the purposes authorized in this Order.

25. Within 45 days after taking his oath, the Receiver shall file in this cause an inventory of all property of the receivership estate of which he shall have possession. If the Receiver comes into possession of additional property, he shall file a supplemental inventory as soon as practicable, but in no event more than 45 days after receipt thereof.

26. Within 30 days after taking his oath, the Receiver shall notify in writing all known customers and creditors of the Water System and Utility that he has been appointed Receiver. This notice shall include a telephone number and address where the Receiver can be contacted.

27. On or before the 30<sup>th</sup> day of each month, the Receiver shall file with the Clerk of this Court a complete report for the prior month's activities. The first such report shall be due on

February 28, 2011 Each monthly report shall contain, at a minimum:

- a. A monthly operating statement, including a statement of quantities of water sold, complaints received, and customers added or disconnected;
- b. A statement of accounts receivable and payable, with actual amounts received and paid;
- c. A summary of all repairs and improvements made, with expenses shown; and
- d. A statement of all expenses incurred and paid.

When the Receiver files each monthly report, he shall simultaneously mail one copy of the



report to each of the following: Plaintiff's attorney of record, Ekaterina DeAngelo, at the address provided below her signature, and TCEQ Receivership Coordinator, Alex Latham, at the Texas Commission on Environmental Quality, MC-153, P.O. Box 13087, Austin, Texas 78711-3087.

28. The Receiver shall limit expenditures to those reasonably necessary to accomplish the Receiver's duties. The Receiver is not obligated to pay bills, debts, or claims associated with the Water System and Utility that accrued before the date this Order is signed by the Court.

29. The Receiver's bond shall be set in the amount of \$10,000.00.

30. The Receiver shall file his bond and duly executed oath with the Clerk of this Court within 5 business days from the date this Order is signed.

31. The Receiver shall maintain a bond at the amount set by this Court for the entire duration of the Receiver's service.

32. The Receiver shall file a report with the Clerk of this Court regarding any change in sureties or other changes to the bond, any lapse or forfeiture of a bond, and shall serve a copy of his report on all parties of record. The Receiver shall file such a report and serve copies on the parties immediately after he receives actual or constructive notice of the event requiring the report, but in any event, no later than 3 business days after actual or constructive notice to the Receiver.

33. The Receiver's compensation shall be a monthly fee of \$12.00 per active Water System and Utility's connection per month of the Receiver's service, subject to the following conditions:

- a. On a monthly basis, the Receiver may compensate himself for his services, but monthly payment shall not exceed 60% of the monthly fee set in Paragraph 33.
- b. The remaining 40% of the Receiver's compensation may only be paid after a final accounting and a Court order approving the payment of the funds.

34. Defendants, the Receiver, or anyone of their behalf shall not make and this Court

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



will not approve any claim against the State of Texas or any of its agencies, agents, servants, or employees, for any fees, costs, expenses, damages, or any other monetary claims incurred in relation to this receivership or lawsuit.

35. Plaintiff is allowed such writs and processes as may be needed for the enforcement of this Order.

36. This receivership shall continue until further order of the Court. The Court retains jurisdiction of this case and may make other orders as warranted.

SIGNED this 24<sup>th</sup> day of January, 2019.

  
JUDGE PRESIDING

I, VELVA L. PRICE, District Clerk,  
Travis County, Texas, do hereby certify that this is  
a true and correct copy as same appears of  
record in my office. Witness my hand and seal of  
office on 1/24/2019



VELVA L. PRICE  
DISTRICT CLERK

By Deputy:



State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.  
Order Appointing Receiver



APPROVED IN FORM AND SUBSTANCE AND ENTRY REQUESTED:

KEN PAXTON  
Attorney General of Texas

JEFFREY C. MATEER  
First Assistant Attorney General

BRANTLEY STARR  
Deputy First Assistant Attorney General

DARREN L. MCCARTY  
Deputy Attorney General for Civil Litigation

PRISCILLA M. HUBENAK  
Chief, Environmental Protection Division

*Ekaterina DeAngelo*  
EKATERINA DEANGELO  
Assistant Attorney General  
Texas State Bar No. 24087398  
Ekaterina.DeAngelo@oag.texas.gov

Office of the Attorney General  
Environmental Protection Division  
P.O. Box 12548, MC 066  
Austin, Texas 78711-2548  
Tel.: (512) 463-2012  
Fax: (512) 320-0911

ATTORNEYS FOR THE STATE OF TEXAS

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



State of Texas  
County of Wilson

Field notes for Lot 13, of the Lake Valley Estates Subdivision, Unit 1, together with a 30 foot access easement, as shown on the accompanying Plat of Survey, prepared for SS WSC, dated February 14, 2022.

Field notes for Lot 13, of the Lake Valley Estates Subdivision, together with a 30 foot access easement, described in an instrument, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas, said tract of land being more particularly described by metes and bounds as follows:

Beginning at a 1/2 inch steel rod monument, found for the North corner of said Lot 13, lying on the Southeast line of said 30 foot access easement, surveyed this same day, and being the West corner of Lot 47 of Lake Valley Estates, Unit 30, Block 5, described in an instrument, recorded in Volume 5, Page 57, Plat Records, Wilson County, Texas, said point of beginning being the North corner of this tract of land;

Thence South 29° 19' 23" East, 224.39 feet, along the East line of said Lot 13, being the West line of said Lot 47, and continuing along the West line of Lot 46, of said Lake Valley Estates Subdivision, Unit 30, Block 1, to a point marked by a 1/2 inch steel rod monument, found for an angle point of said Lot 13, being a reentrant corner of said Lot 46, said point being an angle point of this tract of land;

Thence South 01° 15' 01" East, 246.52 feet, along the East line of said Lot 13, being the West line of said Lot 46, to a point marked by a 1/2 inch steel rod monument, found for the East corner of said Lot 13, being the West corner of said Lot 46, and the North corner of Lot 36, of said Lake Valley Estates Subdivision, Unit 30, Block 1, said point being the East corner of this tract of land;

Thence South 59° 58' 45" West, 708.02 feet, along the Southeast line of said Lot 13, being the Northwest line of said Lot 36, and continuing along the Northwest line of Lot 35, and Lot 34, of said Valley Estates Subdivision, Unit 30, and the Northwest line of Lot 17, of said Lake Valley Estates Subdivision, Unit 1, Block 3, to a point marked by a 1/2 inch steel rod monument, found for the South corner of said Lot 13, being the West corner of said Lot 17, and lying on the East line of Lot 19, of said Valley Estates Subdivision, Unit 1, Block 3, said point being the South corner of this tract of land;

Thence North 20° 04' 26" East, 490.27 feet, along the West line of said Lot 13, being the East line of said Lot 19, to a point marked by 1/2 inch steel rod monument, found for a reentrant corner of said Lot 13, being a salient corner of said Lot 19, this point being a reentrant corner of this tract of land;

Thence North 21° 25' 16" West, 132.02 feet, along the West line of said Lot 13, being the East line of said Lot 19, to a point marked by a 1/2 inch steel rod monument, found for the West corner of said Lot 13, being the South corner of said 30 foot access easement, said point being the West corner of this tract of land;

Thence North 60° 35' 06" East, 433.60 feet, along the Northwest line of said Lot 13, being the Southeast line of said 30 foot access easement, to the point of beginning;

**Together with a 30 foot access easement**

A 30 foot access easement, being out of Lake Valley Estates Subdivision, Unit 1, Block 3, described in an instrument, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas, shown on the accompanying Plat of Survey prepared for SS WSC, dated February 14, 2022, said easement being more particularly described by metes and bounds as follows:

Beginning at a 1/2 inch steel rod monument, found for the lower East corner of said 30 foot access easement, being the North corner of Lot 48 of Lake Valley Estates Subdivision, Unit 30, Block 1, described in an instrument, recorded in Volume 5, Page 57, Plat Records, Wilson County, Texas, and lying on the West line of Lakeview Circle, said point of beginning being the East corner of this easement;

**EXHIBIT A**

**TRAVIS COUNTY 98<sup>TH</sup> JUDICIAL DISTRICT COURT ORDER  
APPOINTING RECEIVER DONALD G. RAUSCHUBER**

No. D-1-GN-18-000837

STATE OF TEXAS,

Plaintiff,

v.

LAS PALOMAS WATER SERVICES  
COMPANY AND TEXAS RAIN  
HOLDING COMPANY, INC.,

Defendants.

IN THE DISTRICT COURT

TRAVIS COUNTY, TEXAS

98th JUDICIAL DISTRICT

Filed in The District Court  
of Travis County, Texas  
JAN 24 2019 BP  
209 M.  
At Valva L. Price, District Clerk

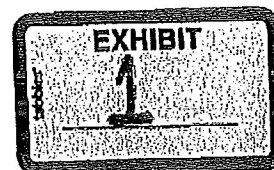
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After consideration of the State's Application for a Receiver, the pleadings, affidavits, and evidence, the Court makes the following findings and orders the following relief:

#### THE COURT FINDS:

1. On February 20, 2018, the State filed this enforcement action for civil penalties, unpaid public health services fees, injunctive relief, and attorney's fees for violations of the Texas Commission on Environmental Quality's rules and regulations adopted under Chapter 341 of the Texas Health & Safety Code. All violations arise from Defendants' ownership and operation of a public water system, hereafter the "Water System and Utility," located 5 miles east of La Vernia



on Farm-to-Market Road 539, Wilson County, Texas, and legally described as Lake Valley Estates, Block 3, Lot 13 (U-1), Water Well Site, Acres 5.63.

2. Since at least 2002, Las Palomas Water Services Company ("Las Palomas") has been the owner of the Water System and Utility.

3. At all times relevant to the violations in this matter, Texas Rain Holding Company, Inc. ("Texas Rain") has been the operator of the Water System and Utility.

4. The Water System and Utility is a "utility," a "water utility," and a "retail public utility" as those terms are defined in Tex. Water Code § 13.002.

**Defendants Las Palomas and Texas Rain have abandoned operation of the Water System and Utility**

5. On at least twelve occasions, Texas Rain and Las Palomas have failed to maintain the free chlorine residual above 0.2 mg/L, as required by 30 Tex. Admin. Code § 290.110(b). Therefore, the Court finds that Defendants Las Palomas and Texas Rain have abandoned operation of the Water System and Utility by failing to provide appropriate water treatment, resulting in potential health hazards. Tex. Water Code § 13.412(f)(2).

6. Texas Rain and Las Palomas have failed to provide minimum water pressure at the Water System and Utility on at least twenty-three occasions, as required by 30 Tex. Admin. Code § 290.46; have failed to ensure that the pressure tank and associated valves and the electrical control boxes at the Water System and Utility are surrounded by an intruder-resistant fence, as required by 30 Tex. Admin. Code § 290.42(m); and have failed to maintain adequate storage tank capacity to service the Water System and Utility's customers, as required by 30 Tex. Admin. Code § 290.45. Therefore, the Court finds that Defendants Las Palomas and Texas Rain have abandoned operation of the Water System and Utility by failing to adequately maintain facilities, resulting in

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



potential health hazards. Tex. Water Code § 13.412(f)(3).

7. Texas Rain and Las Palomas have failed to report radionuclides, metal and minerals, volatile and synthetic organic contaminants, and Stage 2 disinfectant byproducts to TCEQ since at least 2013, as required by 30 Tex. Admin. Code §§ 290.106, .107, .108, .110, .115, .117. After the Water System and Utility exceeded the copper action level in 2012, Texas Rain and Las Palomas have failed to perform sampling of lead and copper from each entry point and monitoring of water quality parameters to determine the potential for corrosion, as required by 30 Tex. Admin. Code § 290.117. Texas Rain and Las Palomas have failed to submit copies of the public notices regarding water quality parameters monitoring, reports for the source water treatment, volatile organic contaminants sampling, nitrate sampling, metal and minerals sampling, disinfectant byproduct levels, and radionuclides sampling to TCEQ, as required by 30 Tex. Admin. Code § 290.122, indicating that they have not provided these notices to the Water System and Utility's customers. Therefore, the Court finds that Defendants Las Palomas and Texas Rain have abandoned operation of the Water System and Utility by failing to provide its customers and TCEQ with adequate notice of a health hazard or a potential health hazard. Tex. Water Code § 13.412(f)(4).

*A Receiver is necessary to guarantee continuous and adequate service to the Water System and Utility's customers*

8. Because Defendants Las Palomas and Texas Rain have abandoned operation of the Water System and Utility, the Court further finds that the appointment of a receiver is necessary to guarantee continuous and adequate service to the customers of the utility. Tex. Water Code § 13.412(b)(2).

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.  
Order Appointing Receiver*



**THE COURT THEREFORE ORDERS:**

9. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are hereby ENJOINED to turn over exclusive possession and control of all the following assets to the Receiver appointed herein:

- a. The Water System and Utility, providing water service under PWS No. 2470020 and CCN No. 12308, located 5 miles east of La Vernia on Farm-to-Market Road 539, Wilson County, Texas, and legally described as Lake Valley Estates, Block 3, Lot 13 (U-1), Water Well Site, Acres 5.63; and
- b. All real property, easements, pipes, fittings, housings, and other appurtenances and other property attached to or used in the said Water System and Utility; all monies generated by or through the said Water System and Utility, all current assets on hand, including cash, securities, cash equivalents, and all bank accounts used for the deposit of funds generated by or through that Water System and Utility and all current accounts receivable and all future accounts receivable generated by or through that Water System and Utility as they come due; and all water and other assets that in any way are produced by or used in connection with the said Water System and Utility, including all records of customer bills and payments, all records of accounts receivable or payable, all lists of customers, all maps showing the location of pipelines, valves, or meters, and all real estate records that in any way pertain to the Water System and Utility or the tracts on which they are located.

10. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED to deliver to the Receiver, immediately and in no event later than 7 days after the date the Court signs this Order, all property (including checks, cash, and cash equivalents) related in any way to the Water System and Utility, that Defendants or anyone else receive on or after the date the Court signs this Order. Within 7 days of the date the Court signs this Order, Defendants shall deliver an accounting of the receipt and handling of that property to the Receiver and to Plaintiff's attorney.

11. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED to cooperate with the Receiver, so that the Receiver can ensure continued water service to all customers of the Water System and Utility.

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



12. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED not to interfere in any way with the Receiver's sole right of possession and control of any of the assets hereby ordered to be turned over to the Receiver and not to interfere with any efforts by the Receiver to determine the nature, location, and amount of those assets.

13. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED to provide the Receiver, upon the Receiver's request, all records Defendants may possess or control that may assist the Receiver in performing his duties under this Order.

14. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED to forward to the Receiver, upon the Receiver's request, all correspondence relating to the Water System and Utility then in hand, and shall forward any additional correspondence as it is received.

15. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, shall, upon the Receiver's request, relinquish to the Receiver all documents and convey to the Receiver property, including leases that Defendants may own related to the Water System and Utility.

16. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, shall, upon the Receiver's request, convey to the Receiver the real property described in Paragraph 9(a) of this Order.

17. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED not to transact any business of the Water System and Utility in any manner whatsoever, except through the specific authority of this Court

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



or the Receiver, and not to commence or prosecute any action or appeal, including, but not limited to, arbitration or mediation, and not to obtain or attempt to obtain any preference, judgment, attachment, garnishment, or lien or make any levy against the said Water System and Utility, against the assets thereof, or against the Receiver, except by doing so in the receivership proceeding herein.

18. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED not to convey, dispose of, use, release, transfer, withdraw, allow to be withdrawn, or conceal in any manner any property or assets of Defendants related to the Water System and Utility, and not to dispose of any account, debt, deposit, equipment, or any other asset that Defendants may own, owe to, or hold for the benefit of the Water System and Utility or any of its customers, except that Defendants are specifically ORDERED to turn over all such property and assets to the exclusive control of the Receiver appointed herein.

**THE COURT FURTHER ORDERS:**

19. Any and all banks, savings and loan associations, trust companies, and any other persons, corporations, associations, depositories, and other legal entities are ENJOINED not to convert, dispose of, use, release, transfer, withdraw, allow to be withdrawn, or conceal in any manner any property or assets of Defendants related to the Water System and Utility, and not to dispose of any account, debt, deposit, equipment, or any other asset that Defendants may own, owe to, or hold for the benefit of the said Water System and Utility or any of its customers, except that they are specifically ORDERED to turn over such property and assets to the exclusive control of the Receiver appointed herein.

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



**THE COURT FURTHER ORDERS:**

20. Donald G. Rauschuber is hereby appointed Receiver of all property described in this Order, and that upon taking the oath and filing the bond required by law, the Receiver shall be authorized, subject to the control of the Court, to do any and all acts necessary to the proper and lawful conduct of the receivership, not limited to the following:

- a. Collect the assets (including, but not limited to, all real property, easements, wells, tanks, treatment facilities, pipes, fittings, chlorinators, housings, and other appurtenances and other property attached to or used in the said Water System and Utility; all monies generated by or through the said Water System and Utility, all current assets on hand, including cash, securities, cash equivalents, all bank accounts and all current accounts receivable and all future accounts receivable as they come due, and all water and other assets that in any way are produced by or through or used in connection with the said Water System and Utility, including all records of customer bills and payments, all records of accounts receivable or payable, all lists of customers, all maps showing the location of pipelines, valves, or meters, and all real estate records that in any way pertain to the Water System and Utility or the tracts on which it is located), and carry on the business of the Water System and Utility;
  - b. Provide continuous and adequate water utility service to the customers of said Water System and Utility, including, but not limited to, arranging for a wholesale water contract or interconnection with another water system;
  - c. Retain a certified operator(s) for the Water System and Utility and pay the operator(s) and pay all other reasonably necessary operating expenses out of income from the Water System and Utility at a reasonable rate as wages or bills come due; and bill and collect monies for water services;
  - d. Retain accountants, attorneys, engineers, consultants, or others, as necessary, and pay them out of income from the Water System and Utility as their bills come due; and have performed any necessary evaluation, maintenance, improvement, or repair on the said Water System and Utility;
1. The receiver may not contract for, or incur attorney's fees in excess of \$15,000.00 in the aggregate for the duration of this receivership, unless otherwise approved by the Court;
  2. The Receiver may not contract for, or incur engineering fees in excess of \$35,000.00 in the aggregate for the duration of this receivership, unless otherwise approved by the Court;

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



3. The Receiver may not contract for, or incur consulting fees or contractor fees in excess of \$25,000.00 in the aggregate for the duration of this receivership, unless otherwise approved by the Court.
- e. Accept and receive funds for the continuation of water utility service, open and close bank accounts, and take measures necessary to designate or change signatories on any such accounts;
  - f. Receive all payments due and owing for water service provided to the customers of the said Water System and Utility;
  - g. File and pursue applications for all necessary permits, licenses, rate orders, tariffs, and certificates as required by law, including, but not limited to, CCNs, transfers of the CCNs, and decertification of the CCNs under Chapter 13 of the Texas Water Code;
  - h. Incur risks, debts, liabilities, and obligations ordinarily incurred by owners, managers, and operators of similar business enterprises;
  - i. In cooperation with representatives of TCEQ, prepare a schedule of repairs and improvements to bring the Water System and Utility into compliance with applicable statutes and regulations in the shortest possible time with the funds available;
  - j. Provide quality control, operating procedure review, and financial and accounting services in compliance with good business practices and generally accepted accounting principles, and engineering services in conformance with good engineering practices;
  - k. Upon request to provide information requested by TCEQ and perform such other tasks as the Court or TCEQ may require for proper operation of the receivership;
  - l. Take all measures necessary to consummate the conveyance of all assets of the said Water System and Utility to a qualified person, subject to written approval by TCEQ; and
  - m. Perform such other duties as may be prescribed by the Court.
21. Nothing contained herein shall be construed to authorize the Receiver to sell or transfer Water System and Utility without further orders and authorization from the Court.
22. Notwithstanding the provisions of Paragraph 21 above, the Receiver shall take affirmative steps to investigate prospects for the sale of the Water System and Utility and report those prospects to the Court and the parties of record.



23. Defendants Las Palomas and Texas Rain, all their agents, servants, employees, and all persons acting in concert with them, are ENJOINED to cooperate with the Receiver in said conveyance and shall promptly provide the Receiver with all documents and signatures necessary to complete the conveyance.

24. Subject to such orders as this Court may hereafter issue, the Receiver shall hold any money coming into the possession of the Receiver and not expended for any of the purposes authorized in this Order.

25. Within 45 days after taking his oath, the Receiver shall file in this cause an inventory of all property of the receivership estate of which he shall have possession. If the Receiver comes into possession of additional property, he shall file a supplemental inventory as soon as practicable, but in no event more than 45 days after receipt thereof.

26. Within 30 days after taking his oath, the Receiver shall notify in writing all known customers and creditors of the Water System and Utility that he has been appointed Receiver. This notice shall include a telephone number and address where the Receiver can be contacted.

27. On or before the 30<sup>th</sup> day of each month, the Receiver shall file with the Clerk of this Court a complete report for the prior month's activities. The first such report shall be due on

February 28, 2019 Each monthly report shall contain, at a minimum:

- a. A monthly operating statement, including a statement of quantities of water sold, complaints received, and customers added or disconnected;
- b. A statement of accounts receivable and payable, with actual amounts received and paid;
- c. A summary of all repairs and improvements made, with expenses shown; and
- d. A statement of all expenses incurred and paid.

When the Receiver files each monthly report, he shall simultaneously mail one copy of the



report to each of the following: Plaintiff's attorney of record, Ekaterina DeAngelo, at the address provided below her signature, and TCEQ Receivership Coordinator, Alex Latham, at the Texas Commission on Environmental Quality, MC-153, P.O. Box 13087, Austin, Texas 78711-3087.

28. The Receiver shall limit expenditures to those reasonably necessary to accomplish the Receiver's duties. The Receiver is not obligated to pay bills, debts, or claims associated with the Water System and Utility that accrued before the date this Order is signed by the Court.

29. The Receiver's bond shall be set in the amount of \$10,000.00.

30. The Receiver shall file his bond and duly executed oath with the Clerk of this Court within 5 business days from the date this Order is signed.

31. The Receiver shall maintain a bond at the amount set by this Court for the entire duration of the Receiver's service.

32. The Receiver shall file a report with the Clerk of this Court regarding any change in sureties or other changes to the bond, any lapse or forfeiture of a bond, and shall serve a copy of his report on all parties of record. The Receiver shall file such a report and serve copies on the parties immediately after he receives actual or constructive notice of the event requiring the report, but in any event, no later than 3 business days after actual or constructive notice to the Receiver.

33. The Receiver's compensation shall be a monthly fee of \$12.00 per active Water System and Utility's connection per month of the Receiver's service, subject to the following conditions:

- a. On a monthly basis, the Receiver may compensate himself for his services, but monthly payment shall not exceed 60% of the monthly fee set in Paragraph 33.
- b. The remaining 40% of the Receiver's compensation may only be paid after a final accounting and a Court order approving the payment of the funds.

34. Defendants, the Receiver, or anyone of their behalf shall not make and this Court



will not approve any claim against the State of Texas or any of its agencies, agents, servants, or employees, for any fees, costs, expenses, damages, or any other monetary claims incurred in relation to this receivership or lawsuit.

35. Plaintiff is allowed such writs and processes as may be needed for the enforcement of this Order.


36. This receivership shall continue until further order of the Court. The Court retains jurisdiction of this case and may make other orders as warranted.

SIGNED this 24<sup>th</sup> day of January, 2019.

  
JUDGE PRESIDING

I, VELVA L. PRICE, District Clerk,  
Tarrant County, Texas, do hereby certify that this is  
a true and correct copy as same appears of  
record in my office. Witness my hand and seal of  
office on 1/24/2019



VELVA L. PRICE  
DISTRICT CLERK  
By Deputy: 

State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.  
Order Appointing Receiver



APPROVED IN FORM AND SUBSTANCE AND ENTRY REQUESTED:

KEN PAXTON  
Attorney General of Texas

JEFFREY C. MATEER  
First Assistant Attorney General

BRANTLEY STARR  
Deputy First Assistant Attorney General

DARREN L. MCCARTY  
Deputy Attorney General for Civil Litigation

PRISCILLA M. HUBENAK  
Chief, Environmental Protection Division

*Ekaterina DeAngelo*  
EKATERINA DEANGELO  
Assistant Attorney General  
Texas State Bar No. 24087398  
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Office of the Attorney General  
Environmental Protection Division  
P.O. Box 12548, MC 066  
Austin, Texas 78711-2548  
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ATTORNEYS FOR THE STATE OF TEXAS

*State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*  
Order Appointing Receiver



Exhibit A

SS WSC – 22-2607 – Lot 13 together with a 30 foot access easement – Page 1 of 2

State of Texas  
County of Wilson

Field notes for Lot 13, of the Lake Valley Estates Subdivision, Unit 1, together with a 30 foot access easement, as shown on the accompanying Plat of Survey, prepared for SS WSC, dated February 14, 2022.

Field notes for Lot 13, of the Lake Valley Estates Subdivision, together with a 30 foot access easement, described in an instrument, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas, Texas, said tract of land being more particularly described by metes and bounds as follows:

Beginning at a 1/2 inch steel rod monument, found for the North corner of said Lot 13, lying on the Southeast line of said 30 foot access easement, surveyed this same day, and being the West corner of Lot 47 of Lake Valley Estates, Unit 30, Block 5, described in an instrument, recorded in Volume 5, Page 57, Plat Records, Wilson County, Texas, said point of beginning being the North corner of this tract of land;

Thence South 29° 19' 23" East, 224.39 feet, along the East line of said Lot 13, being the West line of said Lot 47, and continuing along the West line of Lot 46, of said Lake Valley Estates Subdivision, Unit 30, Block 1, to a point marked by a 1/2 inch steel rod monument, found for an angle point of said Lot 13, being a reentrant corner of said Lot 46, said point being an angle point of this tract of land;

Thence South 01° 15' 01" East, 246.52 feet, along the East line of said Lot 13, being the West line of said Lot 46, to a point marked by a 1/2 inch steel rod monument, found for the East corner of said Lot 13, being the West corner of said Lot 46, and the North corner of Lot 36, of said Lake Valley Estates Subdivision, Unit 30, Block 1, said point being the East corner of this tract of land;

Thence South 59° 58' 45" West, 708.02 feet, along the Southeast line of said Lot 13, being the Northwest line of said Lot 36, and continuing along the Northwest line of Lot 35, and Lot 34, of said Lake Valley Estates Subdivision, Unit 30, and the Northwest line of Lot 17, of said Lake Valley Estates Subdivision, Unit 1, Block 3, to a point marked by a 1/2 inch steel rod monument, found for the South corner of said Lot 13, being the West corner of said Lot 17, and lying on the East line of Lot 19, of said Lake Valley Estates Subdivision, Unit 1, Block 3, said point being the South corner of this tract of land;

Thence North 20° 04' 26" East, 490.27 feet, along the West line of said Lot 13, being the East line of said Lot 19, to a point marked by 1/2 inch steel rod monument, found for a reentrant corner of said Lot 13, being a salient corner of said Lot 19, this point being a reentrant corner of this tract of land;

Thence North 21° 25' 16" West, 132.02 feet, along the West line of said Lot 13, being the East line of said Lot 19, to a point marked by a 1/2 inch steel rod monument, found for the West corner of said Lot 13, being the South corner of said 30 foot access easement, said point being the West corner of this tract of land;

Thence North 60° 35' 06" East, 433.60 feet, along the Northwest line of said Lot 13, being the Southeast line of said 30 foot access easement, to the point of beginning;

**Together with a 30 foot access easement**

A 30 foot access easement, being out of Lake Valley Estates Subdivision, Unit 1, Block 3, described in an instrument, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas, shown on the accompanying Plat of Survey prepared for SS WSC, dated February 14, 2022, said easement being more particularly described by metes and bounds as follows:

Beginning at a 1/2 inch steel rod monument, found for the lower East corner of said 30 foot access easement, being the North corner of Lot 48 of Lake Valley Estates Subdivision, Unit 30, Block 1, described in an instrument, recorded in Volume 5, Page 57, Plat Records, Wilson County, Texas, and lying on the West line of Lakeview Circle, said point of beginning being the East corner of this easement;

**EXHIBIT B**

**TRAVIS COUNTY 98<sup>TH</sup> JUDICIAL DISTRICT COURT ORDER  
ACCEPTING RECEIVER'S RECOMMENDATION**

Cause No. D-1-GN-18-000837

|                   |   |                                    |
|-------------------|---|------------------------------------|
| STATE OF TEXAS,   | § | IN THE DISTRICT COURT OF           |
| Plaintiff         | § |                                    |
|                   | § |                                    |
| S.S. WATER SUPPLY | § |                                    |
| CORPORATION,      | § |                                    |
| Intervenor        | § |                                    |
|                   | § | TRAVIS COUNTY                      |
| VS.               | § |                                    |
|                   | § |                                    |
| LAS PALOMAS WATER | § |                                    |
| SERVICES COMPANY, | § |                                    |
| Defendant         | § | 98 <sup>th</sup> JUDICIAL DISTRICT |

**ORDER APPROVING SALE AND TRANSFER OF WATER SYSTEM AND UTILITY**

BE IT REMEMBERED, that on this Tuesday, the 15<sup>th</sup> day of February, 2022, came on for consideration before this Court the Joint Motion to Approve Sale and Transfer of Water System and Utility, operating under Certificate of Convenience and Necessity ("CCN") No. 12308 and Public Water System ("PWS") No. TX2470020, and upon review of the motion and any response(s) on file, the argument of counsel, and the applicable law, it is the Finding of the Court that the motion is meritorious, that the factual recitals are true, that the Texas Water and Utilities Codes provide that continuous service by the public utility herein is essential to the safety and health of the public,<sup>1</sup> and, based on the January 31, 2022, Order of the Public Utility Commission of Texas ("PUC") and the Findings and Conclusions contained therein (including the updated/revised map to be adopted thereafter by the PUC), this Judgment in all respects is GRANTED.

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<sup>1</sup> See Texas Utilities Code §186.002 and Texas Water Code, §§13.241 & 13.251.

It is therefore ORDERED, ADJUDGED and DECREED that the Joint Motion to Approve Sale and Transfer of Water System and Utility be GRANTED as follows:

The sale and transfer of the retail public water supply system previously numbered PWS No. 2470020 (i.e., the "Water System and Utility") by Donald G. Rauschuber, Receiver for Las Palomas Water Services Company ("Receiver"), LLC, to S.S. Water Supply Corporation ("SSWSC") is hereby ordered pursuant to the terms of that certain "Sale, Transfer & Merger Memorandum of Agreement Between the Las Palomas Water Service Company/Lake Valley Water Service Corporation (PWS 2470020 and CCN 12308) and S.S. Water Supply Corporation (PWS No. 2470015 and CCN No. 11489)," dated February 8, 2021, and its Addendum, dated April 12, 2021, and related documents, which are in all respects confirmed, ratified and approved as contemplated by the Public Utility Commission of Texas's Order dated January 31, 2022, and as contemplated by this Court on August 3, 2021, in its Order of the same date.

It is therefore ORDERED that the sale of the Water System and Utility shall be consummated and closed into escrow by and with Seguin Title Company on or before close of business Wednesday, February 16, 2022, via escrow deposit of \$209,769.74 by the Transferee, SSWSC, with Seguin Title Company and the following by Receiver: i) a deed executed by Receiver conveying Wilson County Property ID Numbers 20781 and 35019 to SSWSC; ii) an assignment executed by Receiver transferring to SSWSC all easements associated with and standing in the name of the Water System and Utility and customers thereof; and iii) a bill of sale executed by Receiver conveying to SSWSC all personal property associated with the Water System and Utility, including the water meters (Wilson County Property ID No. 35109) and all water mains, distribution lines, valves, and other water system appurtenances of any nature whatsoever, and all miscellaneous personal property of the Water System and Utility necessary to own and operate the Water System and Utility and provide public water service under Chapter 13 of the Texas Water Code. All costs of title insurance and survey by Rakowitz Engineering for the access lane to Lot 13, Unit 3, Lake Valley Estates

Subdivision shall be borne by the Transferee, SSWSC. All other costs, taxes, fees, and expenses for closing will be borne by the Transferor, the Water System and Utility. Transferee, SSWSC, and Transferor, the Water System and Utility, shall bear the respective costs of their individual general liability insurance in the amount of \$500,000 per individual/\$1,000,000 per incident, which shall remain in effect until each meter is physically connected to the Transferee's system.

It is further ORDERED that actual commencement of SSWSC's administration and management of each and every account and meter for existing customers within the defined area covered by the Water System and Utility's CCN (CCN No. 12308) and its Public Water System (PWS No. TX2470020), and the processing of paperwork related thereto, shall occur in accordance with a written schedule to be agreed upon by the Receiver and SSWSC's General Manager (the "Agreed Schedule"). A copy of said Agreed Schedule shall be filed with the Clerk of this Court, whereupon it shall be deemed adopted by this Court at this place in this Order.

It is further ORDERED that, upon SSWSC's commencement of the administration and management of the accounts and meters of the existing eligible customers within the defined area covered by the Water System and Utility's CCN and its PWS in accordance with the Agreed Schedule and as set forth above, all previously existing receivables/liabilities, other than the closing expenses for which SSWSC is responsible as set forth above, shall remain the responsibility of Receiver and/or Las Palomas Water Services Company, along with reports, fees or taxes required by authorities with jurisdiction over the operation of the Water System and Utility related to the period prior to SSWSC's commencement of the administration and management of the accounts and meters. Any net cash in possession of

the Receiver upon the discharge of the Receiver and termination of the Receivership by this Court shall be transferred to SSWSC as a contribution in aid of construction for the benefit of the customers within the defined area covered by the Water System and Utility's CCN and its PWS (including the PUC's updated map).

It is further ORDERED that, from and after the date on which SSWSC commences the administration and management of the accounts and meters of the existing eligible customers within the defined area covered by the Water System and Utility's CCN and its PWS in accordance with the Agreed Schedule and as set forth above, each qualified account holder or applicant located within the Water System and Utility being transferred shall fully comply with the rates, charges and tariff provisions of SSWSC, and all attendant SSWSC tariff requirements specified for purposes of securing SSWSC water service and providing necessary customer administration and management which shall be in effect for the customers eligible for service or being served by SSWSC.

It is further ORDERED that, after Receiver completes the transfer of service of the Water System and Utility customers to SSWSC, Receiver shall file with this Court (with copies simultaneously filed with the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, and the Texas Attorney General's Office) a final accounting and a request for a hearing to declare all receivership duties to be complete, to discharge his duties as Receiver, to terminate the receivership pursuant to the Receivership Order and its amendments previously entered in this matter, and to release any surety or bond related thereto.

And, all Parties receiving a certified copy of this Order as final Judgment shall comply therewith as if formally served with a copy of this Order

Except as provided herein, each Party shall bear their respective costs and attorneys' fees incurred.

All relief not expressly granted herein is hereby DENIED.

Signed on this 15<sup>th</sup> day of February, 2022.

/s/ Catherine A. Mauzy  
JUDGE PRESIDING

**APPROVED AS TO FORM:**

Lynn Sherman  
Lynn Sherman  
State Bar No. 18243630  
Lynn Sherman Law Firm  
P.O. Box 5605  
Austin, Texas 78763-5605  
Telephone: 512-431-6515  
Email: [lsherman@h2otx.com](mailto:lsherman@h2otx.com)  
*Attorney for Donald G. Rauschuber, Receiver*

/s/  
Louis T. Rosenberg,  
State Bar No. 17271300  
Nohl Bryant, Of Counsel  
State Bar No. 24050346  
The Law Office of Louis T. Rosenberg, P.C.  
1024 C Street  
Floresville, Texas 78114  
*Attorney for S.S. Water Supply Corporation,  
Intervenor*

/s/  
Tyler Ryska  
Assistant Attorney General  
Environmental Protection Division  
Office of the Texas Attorney General  
P.O. Box 12548  
Capitol Station  
Austin, Texas 78711-2548  
*Attorney for Plaintiff*

**EXHIBIT C**

**PUBLIC UTILITY COMMISSION OF TEXAS ORDER APPROVING  
SALE AND TRANSFER**

**DOCKET NO. 52408**

|                             |   |                           |
|-----------------------------|---|---------------------------|
| APPLICATION OF SS WATER     | § | PUBLIC UTILITY COMMISSION |
| SUPPLY CORPORATION AND LAS  | § |                           |
| PALOMAS WATER SERVICE       | § | OF TEXAS                  |
| COMPANY FOR SALE, TRANSFER, | § |                           |
| OR MERGER OF FACILITIES AND | § |                           |
| CERTIFICATION RIGHTS IN     | § |                           |
| WILSON COUNTY               | § |                           |

**CORRECTED ORDER NO. 7  
APPROVING SALE AND TRANSFER TO PROCEED<sup>1</sup>**

This Order addresses the application of S.S. Water Supply Corporation (SSWSC) and Las Palomas Water Services Company for approval of the sale, transfer, or merger of facilities and certificate rights in Wilson County. The applicants seek approval for Las Palomas to sell and transfer all of its facilities and certificated service area under certificate of convenience and necessity (CCN) number 12308 to SSWSC, to amend SSWSC's CCN number 11489 to include the facilities and certificated service area previously included in Las Palomas' CCN number 12308, and to cancel Las Palomas' CCN number 12308. The administrative law judge (ALJ) grants that the sale is approved and the transaction SSWSC and Las Palomas may proceed and be consummated.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicants**

1. SSWSC is a Texas non-profit corporation registered with the Texas secretary of state under filing number 29813801.
2. SSWSC operates, maintains, and controls facilities for providing water service in Wilson County under CCN number 11489.
3. SSWSC owns and operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 2470015.

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<sup>1</sup> Corrected Order No. 7 is being filed to correct a typographical error.

4. Las Palomas is a Texas corporation registered with the Texas secretary of state under filing number 800103280.
5. On January 24, 2019, Donald G. Rauschuber was appointed as receiver for Las Palomas.<sup>2</sup>
6. Las Palomas, through its receiver Mr. Rauschuber, operates, maintains, and controls facilities for providing water service in Wilson County under CCN number 12308.
7. Las Palomas owns and operates a public water system registered with the TCEQ under identification number 2470020.

**Application**

8. On August 3, 2021, the Travis County District Court issued an order authorizing Mr. Rauschuber to sell and transfer Las Palomas to SSWC.<sup>3</sup>
9. On August 10, 2021, the applicants filed the application at issue in this proceeding.
10. On September 20, 2021, SSWSC filed confidential supplemental information.
11. On September 22, 2021, Las Palomas filed supplement information.
12. In the application, the applicants seek approval of the following transaction: (1) for Las Palomas to sell and transfer all of its facilities and certificated service area under CCN number 12308 to SSWSC; (2) to amend SSWSC's CCN number 11489 to include the facilities and certificated service area previously included in Las Palomas' CCN number 12308; and (3) to cancel Las Palomas' CCN number 12308.
13. The requested area includes approximately 1,263 acres, approximately 235 current customers, is located approximately five miles east of downtown La Vernia, Texas, and is generally bounded on the north by the Guadalupe-Wilson county line, on the east by State Highway 123, on the south by County Road 334, and on the west by Farm-to-Market Road 539.

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<sup>2</sup> *State v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*, No. D-1-GN-18-000837 (98th Dist. Ct., Travis County, Tex. Jan. 24, 2019) (order appointing receiver); *Id.* (98th Dist. Ct., Travis County, Tex. Oct. 20, 2020) (order granting motion to amend order appointing receiver).

<sup>3</sup> *Id.* (98th Dist. Ct., Travis County, Tex. Aug. 3, 2021) (order accepting receiver's recommendation and granting receiver's motion to amend ordering provisions appointing receiver).

14. In Order No. 4 filed on October 8, 2021, the ALJ found the application, as supplemented, administratively complete.

**Notice**

15. On October 22, 2021, the applicants filed the affidavit of Mr. Rauschuber attesting that notice was provided to all neighboring utilities and affected parties on October 15, 2021.
16. In Order No. 5 filed on December 3, 2021, the ALJ found the notice sufficient.

**Evidentiary Record**

17. On January 10, 2022, the applicants and Commission Staff filed a joint motion to admit evidence.
18. In Order No. 6 filed on January 26, 2022, the ALJ admitted the following evidence into the record of this proceeding: (a) the application, and all attachments, filed on August 10, 2021, (b) Commission Staff's recommendation on administrative completeness and notice and proposed procedural schedule filed on September 9, 2021; (c) SSWSC's confidential response to Order No. 2 filed on September 20, 2021; (d) Las Palomas' responses to Order No. 2 filed on September 22, 2021; (e) Commission Staff's supplemental recommendation on administrative completeness and notice and proposed procedural schedule filed on October 7, 2021; (f) the affidavit of notice to current customers, neighboring utilities, and affected parties, filed on October 22, 2021; (g) Commission Staff's recommendation on sufficiency of notice filed on December 2, 2021; (h) Commission Staff's recommendation on approval of sale filed on December 16, 2021; and (i) the supplement to the application filed on January 9, 2022.

**System Compliance**

19. Las Palomas' public water system is registered with the TCEQ as the "Lake Valley Water System" under identification number 2470020.
20. Las Palomas has been subject to enforcement actions by the TCEQ and the Office of the Texas Attorney General in the past five years for non-compliance with rules, orders, or state statutes. As a result, Las Palomas was placed under the receivership of Mr. Rauschuber.

21. Since Mr. Rauschuber's appointment as receiver, Las Palomas has resolved the non-compliance issues.
22. The last TCEQ compliance investigation of the Las Palomas system was on April 1, 2021. No violations or concerns were noted as a result of that investigation.
23. The Commission's complaint records, which date back to 2014, show 38 complaints against Las Palomas, all of which have been resolved.

**Adequacy of Existing Service**

24. There are currently 235 customers in the requested area being served by Las Palomas.
25. Las Palomas is able to provide continuous and adequate water service to the requested area by relying on an emergency interconnection with SSWSC that was installed by SSWSC.

**Need for Additional Service**

26. There is a continuing need for service because Las Palomas is currently providing service to customers in the requested area.
27. There is no evidence of specific requests for additional service within the requested area.

**Effect of Approving the Transaction and Granting the Amendment**

28. Approving the sale and transfer to proceed and granting the CCN amendment will obligate SSWSC to provide water service to current and future customers in the requested area.
29. SSWSC intends to install a second interconnection between itself and Las Palomas to better serve the customers of Las Palomas when the sale and transfer is completed.
30. Landowners in the requested area will not be adversely affected because the requested area is currently certificated.
31. All retail public utilities in the proximate area were provided notice of the application.
32. No protests or motions to intervene were filed by any retail public utility; therefore, there will be no effect on any retail public utility providing service to the proximate area.

**Ability to Serve: Managerial and Technical**

33. SSWSC currently provides water to Las Palomas through the emergency interconnection and has adequate capacity to meet the demands in the requested area.

34. SSWSC does not have any violations listed in the TCEQ database.
35. The Commission's complaint records, which date back to 2014, show five complaints against SSWSC, all of which have been closed.
36. SSWSC employs a TCEQ-licensed operator who operates its public water system.
37. SSWSC has access to an adequate supply of water and is capable of providing water that meets the requirements of chapter 341 of the Texas Health and Safety Code, chapter 13 of the Texas Water Code (TWC), and the TCEQ's rules.
38. SSWSC has the technical and managerial capability to provide continuous and adequate service to the requested areas.

**Ability to Serve: Financial Ability and Stability**

39. SSWSC has a debt-to-equity ratio that is less than one, satisfying the leverage test.
40. SSWSC demonstrated it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years after completion of the transaction, satisfying the operations test.
41. SSWSC demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

**Financial Assurance**

42. There is no need to require SSWSC to provide a bond or other financial assurance to ensure continuous and adequate service to the requested area.

**Regionalization or Consolidation**

43. Concerns of regionalization or consolidation with another retail public utility do not apply because construction of a physically separate water system is not needed for SSWSC to provide service to the requested area.

**Feasibility of Obtaining Service from an Adjacent Retail Public Utility**

44. SSWSC is an adjacent retail public utility and has already installed an emergency interconnection to provide adequate service to the customers of Las Palomas. Therefore, it is not feasible to obtain service from another adjacent retail public utility.

**Environmental Integrity and Effect on the Land**

45. The requested area will continue to be served with some existing infrastructure.
46. SSWSC intends to install a second interconnection between itself and Las Palomas; however, SSWSC must abide by all TCEQ rules and standards during construction, so the environmental impact and the effect on the land will be minimal.

**Improvement in Service or Lowering of Cost to Consumers**

47. SSWSC will continue to provide water service to the existing customers in the area.
48. Water service to the requested area will improve because SSWSC intends to improve the reliability of service by installing a second interconnection.
49. There will be no lowering of cost to consumers as a result of the proposed sale and transfer.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. Notice of the application was provided in compliance with TWC §§ 13.246 and 13.301(a)(2), and 16 Texas Administrative Code (TAC) § 24.239(c).
2. After consideration of the factors in TWC § 13.246(c), SSWSC demonstrated it is capable of rendering continuous and adequate service to every customer within the requested area, as required by TWC § 13.251.
3. SSWSC demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested area as required by TWC §§ 13.241(a) and 13.301(b).
4. The applicants demonstrated that the sale and the transfer of Las Palomas' facilities and water service area held under CCN number 12308 to SSWSC will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public as required by TWC § 13.301(d) and (e).

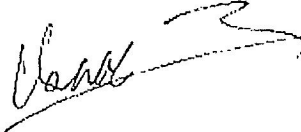
### III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The sale is approved and the transaction between Las Palomas and SSWSC may proceed and be consummated.
2. Within ten days of the entry of this Order, the applicants must request a hearing before the 98th Judicial District, Travis County, Texas in Cause No. D-1-GN-18-000837 (District Court), to effectuate the issuance of any and all orders necessary to execute and complete all the remaining matters pertaining to Mr. Rauschuber's receivership of Las Palomas, including but not limited to the consummation of the transaction between Las Palomas and SSWSC.
3. As soon as possible after the effective date of the transaction, but not later than 30 days after the date of the District's Court's order authorizing Mr. Rauschuber to consummate the transaction, the applicants must file proof that the transaction has been consummated.
4. The applicants have 180 days from the date of this order to complete the transaction.
5. Under 16 TAC § 24.239(m), if the transaction is not consummated within this period, or an extension is not granted, this approval is void and the applicants must reapply for approval.
6. The applicants are advised that Las Palomas' facilities and its corresponding service area will remain under CCN number 12308 and will be held by Las Palomas until the sale and transfer transaction is complete in accordance with Commission rules.
7. In an effort to finalize this case as soon as possible, the applicants must continue to file monthly updates regarding the status of the closing and submit documents evidencing that the transaction was consummated.
8. Within 15 days following the filing of the applicants' proof that the transaction has been consummated and customer deposits, if any, have been addressed, Commission Staff must file a recommendation regarding the sufficiency of the documents and propose a procedural schedule for continued processing of this docket.

Signed at Austin, Texas the 31st day of January 2022.

**PUBLIC UTILITY COMMISSION OF TEXAS**

A handwritten signature in black ink, appearing to read 'Isaac TA', written over a horizontal line.

**ISAAC TA**  
**ADMINISTRATIVE LAW JUDGE**

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**EXHIBIT D**

**TRAVIS COUNTY 98<sup>TH</sup> JUDICIAL DISTRICT COURT ORDER  
APPROVING SALE AND TRANSFER OF WATER SYSTEM  
AND UTILITY**

Cause No. D-1-GN-18-000837

**STATE OF TEXAS,  
Plaintiff**

**S.S. WATER SUPPLY  
CORPORATION,  
Intervenor**

VS.

**LAS PALOMAS WATER  
SERVICES COMPANY,  
Defendant**

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840.

IN THE DISTRICT COURT OF

**TRAVIS COUNTY**

**98<sup>th</sup> JUDICIAL DISTRICT**

## ORDER APPROVING SALE AND TRANSFER OF WATER SYSTEM AND UTILITY

BE IT REMEMBERED, that on this Tuesday, the 15<sup>th</sup> day of February, 2022, came on for consideration before this Court the Joint Motion to Approve Sale and Transfer of Water System and Utility, operating under Certificate of Convenience and Necessity ("CCN") No. 12308 and Public Water System ("PWS") No. TX2470020, and upon review of the motion and any response(s) on file, the argument of counsel, and the applicable law, it is the Finding of the Court that the motion is meritorious, that the factual recitals are true, that the Texas Water and Utilities Codes provide that continuous service by the public utility herein is essential to the safety and health of the public,<sup>1</sup> and, based on the January 31, 2022, Order of the Public Utility Commission of Texas ("PUC") and the Findings and Conclusions contained therein (including the updated/revised map to be adopted thereafter by the PUC), this Judgment in all respects is GRANTED.

<sup>1</sup> See Texas Utilities Code §186.002 and Texas Water Code, §§13.241 & 13.251.

It is therefore ORDERED, ADJUDGED and DECREED that the Joint Motion to Approve Sale and Transfer of Water System and Utility be GRANTED as follows:

The sale and transfer of the retail public water supply system previously numbered PWS No. 2470020 (i.e., the "Water System and Utility") by Donald G. Rauschuber, Receiver for Las Palomas Water Services Company ("Receiver"), LLC, to S.S. Water Supply Corporation ("SSWSC") is hereby ordered pursuant to the terms of that certain "Sale, Transfer & Merger Memorandum of Agreement Between the Las Palomas Water Service Company/Lake Valley Water Service Corporation (PWS 2470020 and CCN 12308) and S.S. Water Supply Corporation (PWS No. 2470015 and CCN No. 11489)," dated February 8, 2021, and its Addendum, dated April 12, 2021, and related documents, which are in all respects confirmed, ratified and approved as contemplated by the Public Utility Commission of Texas's Order dated January 31, 2022, and as contemplated by this Court on August 3, 2021, in its Order of the same date.

It is therefore ORDERED that the sale of the Water System and Utility shall be consummated and closed into escrow by and with Seguin Title Company on or before close of business Wednesday, February 16, 2022, via escrow deposit of \$209,769.74 by the Transferee, SSWSC, with Seguin Title Company and the following by Receiver: i) a deed executed by Receiver conveying Wilson County Property ID Numbers 20781 and 35019 to SSWSC; ii) an assignment executed by Receiver transferring to SSWSC all easements associated with and standing in the name of the Water System and Utility and customers thereof; and iii) a bill of sale executed by Receiver conveying to SSWSC all personal property associated with the Water System and Utility, including the water meters (Wilson County Property ID No. 35109) and all water mains, distribution lines, valves, and other water system appurtenances of any nature whatsoever, and all miscellaneous personal property of the Water System and Utility necessary to own and operate the Water System and Utility and provide public water service under Chapter 13 of the Texas Water Code. All costs of title insurance and survey by Rakowitz Engineering for the access lane to Lot 13, Unit 3, Lake Valley Estates

Subdivision shall be borne by the Transferee, SSWSC. All other costs, taxes, fees, and expenses for closing will be borne by the Transferor, the Water System and Utility. Transferee, SSWSC, and Transferor, the Water System and Utility, shall bear the respective costs of their individual general liability insurance in the amount of \$500,000 per individual/\$1,000,000 per incident, which shall remain in effect until each meter is physically connected to the Transferee's system.

It is further ORDERED that actual commencement of SSWSC's administration and management of each and every account and meter for existing customers within the defined area covered by the Water System and Utility's CCN (CCN No. 12308) and its Public Water System (PWS No. TX2470020), and the processing of paperwork related thereto, shall occur in accordance with a written schedule to be agreed upon by the Receiver and SSWSC's General Manager (the "Agreed Schedule"). A copy of said Agreed Schedule shall be filed with the Clerk of this Court, whereupon it shall be deemed adopted by this Court at this place in this Order.

It is further ORDERED that, upon SSWSC's commencement of the administration and management of the accounts and meters of the existing eligible customers within the defined area covered by the Water System and Utility's CCN and its PWS in accordance with the Agreed Schedule and as set forth above, all previously existing receivables/liabilities, other than the closing expenses for which SSWSC is responsible as set forth above, shall remain the responsibility of Receiver and/or Las Palomas Water Services Company, along with reports, fees or taxes required by authorities with jurisdiction over the operation of the Water System and Utility related to the period prior to SSWSC's commencement of the administration and management of the accounts and meters. Any net cash in possession of

the Receiver upon the discharge of the Receiver and termination of the Receivership by this Court shall be transferred to SSWSC as a contribution in aid of construction for the benefit of the customers within the defined area covered by the Water System and Utility's CCN and its PWS (including the PUC's updated map).

It is further ORDERED that, from and after the date on which SSWSC commences the administration and management of the accounts and meters of the existing eligible customers within the defined area covered by the Water System and Utility's CCN and its PWS in accordance with the Agreed Schedule and as set forth above, each qualified account holder or applicant located within the Water System and Utility being transferred shall fully comply with the rates, charges and tariff provisions of SSWSC, and all attendant SSWSC tariff requirements specified for purposes of securing SSWSC water service and providing necessary customer administration and management which shall be in effect for the customers eligible for service or being served by SSWSC.

It is further ORDERED that, after Receiver completes the transfer of service of the Water System and Utility customers to SSWSC, Receiver shall file with this Court (with copies simultaneously filed with the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, and the Texas Attorney General's Office) a final accounting and a request for a hearing to declare all receivership duties to be complete, to discharge his duties as Receiver, to terminate the receivership pursuant to the Receivership Order and its amendments previously entered in this matter, and to release any surety or bond related thereto.

And, all Parties receiving a certified copy of this Order as final Judgment shall comply therewith as if formally served with a copy of this Order

Except as provided herein, each Party shall bear their respective costs and attorneys' fees incurred.

All relief not expressly granted herein is hereby DENIED.

Signed on this 15<sup>th</sup> day of February, 2022.

/s/ Catherine A. Mauzy  
JUDGE PRESIDING

**APPROVED AS TO FORM:**

Lynn Sherman  
Lynn Sherman  
State Bar No. 18243630  
Lynn Sherman Law Firm  
P.O. Box 5605  
Austin, Texas 78763-5605  
Telephone: 512-431-6515  
Email: [lshe@h2otx.com](mailto:lshe@h2otx.com)  
*Attorney for Donald G. Rauschuber, Receiver*

/s/  
Louis T. Rosenberg,  
State Bar No. 17271300  
Nohl Bryant, Of Counsel  
State Bar No. 24050346  
The Law Office of Louis T. Rosenberg, P.C.  
1024 C Street  
Floresville, Texas 78114  
*Attorney for S.S. Water Supply Corporation,  
Intervenor*

/s/  
Tyler Ryska  
Assistant Attorney General  
Environmental Protection Division  
Office of the Texas Attorney General  
P.O. Box 12548  
Capitol Station  
Austin, Texas 78711-2548  
*Attorney for Plaintiff*

**EXHIBIT E**

**RECEIVER'S GENERAL WARRANTY DEED AND ASSIGNMENT OF  
UTILITY EASEMENTS/PROPERTY RIGHTS FOR OPERATION OF  
UTILITY**

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**RECEIVER'S GENERAL WARRANTY DEED and ASSIGNMENT  
OF UTILITY EASEMENTS/PROPERTY RIGHTS  
FOR OPERATION OF UTILITY**

**DATE:** February 16, 2022

**GRANTOR:** Water System and Utility  
by Donald G. Rauschuber, Receiver for Las Palomas  
Water Services Company ("Receiver"),  
a Texas Corporation, a/k/a Las Palomas  
Water Services Company, LLC

**GRANTOR'S MAILING ADDRESS:**

P.O. Box 342707  
Austin, Texas 78734

**GRANTEE:** S.S. Water Supply Corporation,  
a Chapter 67, Texas Water Code  
Retail Public Utility

**GRANTEE'S MAILING ADDRESS:**

P.O. Box 1000  
La Vernia, Texas 78121

**CONSIDERATION:**

The sum of TEN DOLLARS (\$10.00) paid to Grantor by Grantee and other good and valuable consideration the receipt and sufficiency of which are acknowledged by Grantor.

**PROPERTY (INCLUDING ANY IMPROVEMENTS):**

**Tract 1:**

Being the Water System and Utility, providing water service under PWS No. 2470020 and CCN No. 12308, located 5 miles east of La Vernia on Farm-to-Market Road 539, Wilson County, Texas, and legally described as Lake Valley Estates, Block 3, Lot 13 (U-1), Water Well Site, Acres 5.63; and as depicted on the plat of Lake Valley Estates, a subdivision recorded in Volume 4, Page 41, of the Plat Records of Wilson County, Texas; and more particularly described in a Warranty Deed to Las Palomas Water Services Company dated September 1, 2002, recorded in Volume 1126, Pages 214-215, of the Official Public Records of Wilson County, Texas.

**Tract 2:**

That certain 0.36 acre of land out of the H. & TC RR Co. Survey No. 39, A-171, Wilson County Texas, being more particularly described in the Exhibit "L" attached thereto and by reference made a part thereof; and more particularly described in a General Warranty Deed to Las Palomas Water Services Company dated July 8, 2003, recorded in Volume 1170, Page 721, of the Official Public Records of Wilson County, Texas.

**ASSIGNMENTS:**

All real property, easements, pipes, fittings, housings, and other appurtenances and other property attached to or used in the said Water System and Utility enjoined to Receiver by the Order of January 24, 2019.

**RESERVATIONS FROM CONVEYANCE:**

Subject only to any recorded reservations appearing in the Official Public Records of Wilson County, Texas.

**EXCEPTIONS TO CONVEYANCE AND WARRANTY:**

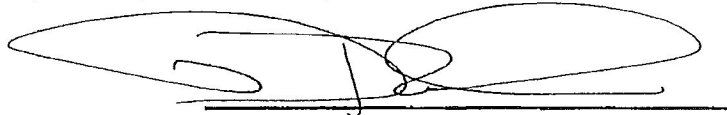
All validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing instruments, other than conveyances of the surface fee estate, that affect the Property; and taxes for time before this Deed. Grantee is tax exempt under state law and will not pay taxes on the property here transferred.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, **GRANTS, SELLS, and CONVEYS** to Grantee the Property, together with all and singular rights and appurtenances thereto in any way belonging, to have and to hold It to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

GRANTEE IS TAKING THE PROPERTY IN AN ARM'S-LENGTH AGREEMENT BETWEEN THE PARTIES. THE CONSIDERATION WAS BARGAINED ON THE BASIS OF AN "AS IS, WHERE IS" TRANSACTION AND REFLECTS THE AGREEMENT OF THE PARTIES THAT THERE ARE NOT REPRESENTATIONS OR EXPRESS OR IMPLIED WARRANTIES.

When the context requires, singular nouns and pronouns include the plural.

In Witness Whereof:



**Water System and Utility,**  
by Donald G. Rauschuber, Receiver for  
Las Palomas Water Services Company,  
("Receiver"), a Texas Corporation, a/k/a Las  
Palomas Water Services Company, LLC,  
pursuant to the Order of January 24, 2019.  
GRANTOR

Attachments: Exhibit 1 – January 24, 2019, Order Appointing Receiver in the  
*State of Texas v. Las Palomas Water Services Company  
and Texas Rain Holding Company, Inc.*, Cause No.  
D-1-GN-18-000837, In the 98<sup>th</sup> Judicial District Court  
of Travis County, Texas; and

Exhibit 2 – Survey by Rakowitz Engineering.

STATE OF TEXAS

COUNTY OF

Guadalupe

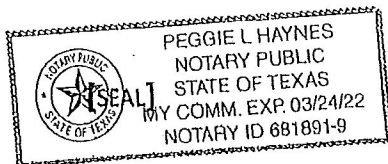
§

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§

Before me, the undersigned Notary Public, on this day personally appeared Donald G. Rauschuber, Duly Authorized Receiver for Las Palomas Water Services Company, a Texas Corporation, a/k/a Las Palomas Water Services Company, LLC, who proved to me to be the person whose name is subscribed to the foregoing Instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this <sup>17<sup>th</sup></sup> 18<sup>th</sup> day of February, 2022.



Peggie L Haynes  
NOTARY PUBLIC, STATE OF TEXAS  
My Commission Expires: 3.24.2022

**AFTER RECORDING RETURN TO:**

S.S. Water Supply Corporation  
P.O Box 1000  
La Vernia, Texas 78121

**EXHIBIT F**

**BILL OF SALE**

TO BE FILED IN THE WILSON COUNTY CLERK'S OFFICE IN THE:

- (1) UNIFORM COMMERCIAL CODE; AND
- (2) REAL PROPERTY RECORDS.

**RECEIVER'S BILL OF SALE**  
**Acting Upon Court Order on Behalf of**  
**Las Palomas Water Services Company**

THE STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF WILSON

§

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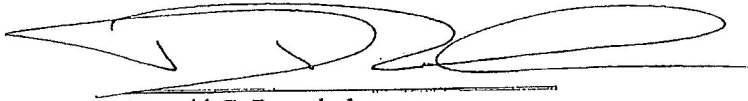
That the Water System and Utility for which Donald G. Rauschuber was named Receiver, for Las Palomas Water Services Company a/k/a Las Palomas Water Services Company, LLC ("Receiver") on January 24, 2019, in Cause Number D-1-GN-18-000837, 98<sup>th</sup> Judicial District Court, Travis County, Texas, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to us in hand paid by S.S. Water Supply Corporation the receipt of which is hereby acknowledged, have Bargained, Sold and Delivered, by these presents do Bargain, Sell and Deliver, unto the said S.S. Water Supply Corporation of the County of Wilson and State of Texas all of the Receiver's rights, title and interest in the following described personal property, and warrant such property transfer is free from any liens and encumbrances, in Wilson County, State of Texas, to-wit:

All personal property associated with the Water System and Utility, including the water meters (Wilson County Property ID No. 35019), and all water mains, distribution lines, valves, and other water system appurtenances of any nature whatsoever, including all miscellaneous personal property standing in the name of the Water System and Utility necessary to own and operate the Water System and Utility, including all rights and benefits conferred by law by reason of ownership of and lawful perquisites related to PWS No. 2470020 and CCN 12308

And we do hereby bind ourselves, our heirs, executors, and administrators, to forever Warrant and Defend the title to the aforesaid property unto the said S.S. Water Supply Corporation its heirs and assigns, against the lawful claim or claims of any and all persons whomsoever.

EXECUTED this 17 day of February, 2022.

**Las Palomas Water Services Company  
a Texas Corporation, a/k/a Las Palomas  
Water Services Company, LLC**



Donald G. Rauschuber,  
*Its Court-Appointed Receiver, Acting  
Pursuant to the Order Approving Sale  
and Transfer of Water System and  
Utility signed February 15, 2022*

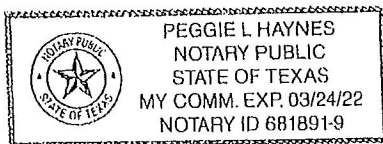
Attachment: February 15, 2022 Order Approving the Sale and Transfer of Water System and Utility in the *State of Texas v. Las Palomas Water Services Company and Texas Rain Holding Company, Inc.*, Cause No. D-1-GN-18-000837, in the 98<sup>th</sup> Judicial District Court of Travis County, Texas.

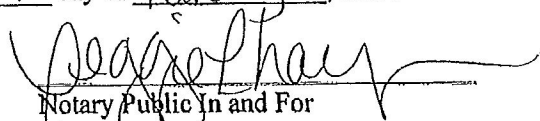
**THE STATE OF TEXAS §**

**COUNTY OF** Guadalupe §

Before me, the undersigned authority, on this day personally appeared Donald G. Rauschuber, Duly Authorized Receiver for **Las Palomas Water Services Company**, a Texas Corporation, a/k/a Las Palomas Water Services Company, LLC, known to me to be the person whose name subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and conditions therein expressed.

Given under my hand and seal of office on this 17 day of February, 2022.



  
Notary Public in and For  
The State of Texas

**Upon Recording Return To:**  
S.S. Water Supply Corporation  
P.O. Box 1000  
La Vernia, Texas 78121

Receiver's Bill of Sale Acting Upon Court Order on Behalf of  
Las Palomas Water Services Company to S.S. Water Supply Corporation  
02/15/2022  
Page 2 of 2

**EXHIBIT G**

**AFFIDAVIT AS TO DEBTS & LIENS**

# Affidavit as to Debts & Liens

TO BE FILLED IN PERSONALLY BY SELLER  
OR BORROWER IN HIS OWN HANDWRITING  
INDEMNITY AND AFFIDAVIT AS TO DEBTS, LIENS AND POSSESSION  
USE SEPARATE FORM FOR EACH PARTY

File Number: 034128STC  
SUBJECT PROPERTY:

Tract 1: Lot 13, Block 3, Unit 1, as depicted on plat of Lake Valley Estates, a subdivision recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas.

Tract 2: Thirty foot (30') lane accessing Lot 13, Block 3, Unit 1, depicted on Lake Valley Estates, a subdivision, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas; being the same access lane granted to Las Palomas Water Services Company in General Warranty Deed dated July 8, 2003, recorded in Volume 1170, Page 721, Official Public Records, Wilson County, Texas.

Tract 1 and Tract 2 are more particularly described by metes and bounds on Exhibit A, attached hereto and made a part hereof for all purposes.

Note: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override Item #2 of Schedule B hereof.

STATE OF TEXAS  
COUNTY OF Wilson

Before me, the undersigned authority on this day personally appeared

**Donald G. Rauschuber, Court Receiver on behalf of Las Palomas Water Services Company, a Texas Corporation**

Seller or Owner-Borrower\* or Contractor (if new construction) personally known to me to be the person whose name is subscribed hereto and upon his oath deposes and says that no proceedings in bankruptcy or receivership have been instituted by or against him and that the marital status of affiant has not changed since the day of acquisition of said property and represents, to affiant's actual knowledge, to the purchaser and/or Lender in this transaction that there are:

1. No unpaid debts for plumbing fixtures, water heaters, floor furnaces, air conditioners, radio or television antennae, carpeting, rugs, lawn sprinkling systems, Venetian blinds, window shades, draperies, electric appliances, fences, street paving, or any personal property or fixtures that are located on the subject property described above, and that no such items have been purchased on time payment contracts, and there are no security interest on such property secured by financing statement, security agreement or otherwise except the following:

Secured Party

Approximate Amount

If you have no unpaid Debts, then insert the  
Word "None" in this Section

\$

Otherwise List any unpaid Debt and Amounts

**NONE**

2. No loans or liens (including Federal or State Liens and Judgment Liens) and no unpaid governmental or association taxes or assessments of any kind on such property except the following:

Creditor

Approximate Amount

If you have no Liens Insert "None"  
Otherwise List in this section Liens or  
Judgments against you/the Property

**NONE**

3. All labor and material used in the construction of improvements on the above described property have been paid for and there are now no unpaid labor or material claims against the improvements or the property upon which same are situated, and I hereby declare that all sums of money due for the erection of improvements have been fully paid and satisfied.

4. No Leases, Contracts to sell the land, or No parties in possession other than seller except as follows:

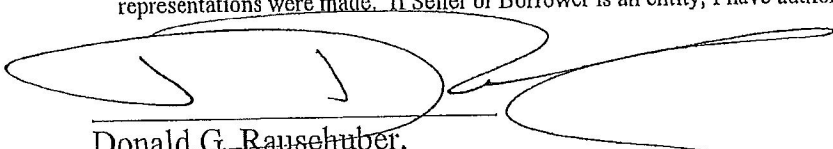
If you have Leases or parties in possession list them in this Section, otherwise insert the word "None" in this section NONE

5. \*To be filled in if a sale - \*The Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust, foreign estate of other foreign entity (as defined in the Internal Revenue Code and Income Tax Regulations). Seller's U.S. employer identification number (or social security number) is: XXX-XX- Seller's Address (office address, if seller is an entity; home address if seller is an individual) is P. O. Box 342707, Austin, TX 78734.

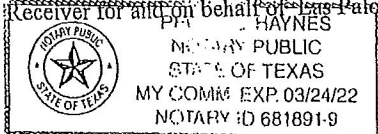
This affidavit may be disclosed to the Internal Revenue Service and is furnished to Buyer to inform Buyer that withholding of tax is not required under Section 1445 of the Internal Revenue Code.

INDEMNITY: I AGREE TO PAY ON DEMAND THE PURCHASERS AND/OR LENDER IN THIS TRANSACTION, THEIR SUCCESSORS AND ASSIGNS, ALL AMOUNTS SECURED BY ANY AND ALL LIENS NOT SHOWN ABOVE, TOGETHER WITH ALL COSTS, LOSS AND REASONABLE ATTORNEY'S FEES THAT SAID PARTIES MAY INCUR IN CONNECTION WITH SUCH UNMENTIONED LIENS, PROVIDED SAID LIENS EITHER CURRENTLY APPLY TO SUCH PROPERTY, OR A PART THEREOF, OR ARE SUBSEQUENTLY ESTABLISHED AGAINST SAID PROPERTY AND ARE CREATED BY SELLER, KNOWN BY ME, OR HAVE AN INCEPTION DATE PRIOR TO THE CONSUMMATION OF THIS TRANSACTION.

I realize that the purchaser and/or Lender in this transaction are relying on the representations contained herein in purchasing same or lending money thereon and would not purchase same or lend money thereon unless said representations were made. If Seller or Borrower is an entity, I have authority to sign on its behalf.

  
Donald G. Rauschuber,  
Court Appointment Receiver  
for Las Palomas Water System  
Services Company, a Texas  
corporation, pursuant to order  
of the court in Cause No.  
D-1-GN-18-000837 in the 98th  
Judicial Court, Travis County,  
Texas

Sworn to and subscribed before me this 17 Day of February, 2022 by Donald G. Rauschuber, Court  
Receiver for and on behalf of Las Palomas Water System Services Company.



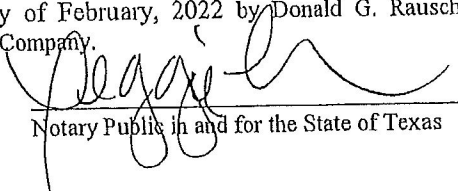
  
Notary Public in and for the State of Texas

Exhibit A

SS WSC – 22-2607 – Lot 13 together with a 30 foot access easement – Page 1 of 2

State of Texas  
County of Wilson

Field notes for Lot 13, of the Lake Valley Estates Subdivision, Unit 1, together with a 30 foot access easement, as shown on the accompanying Plat of Survey, prepared for SS WSC, dated February 14, 2022.

Field notes for Lot 13, of the Lake Valley Estates Subdivision, together with a 30 foot access easement, described in an instrument, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas, Texas, said tract of land being more particularly described by metes and bounds as follows:

Beginning at a 1/2 inch steel rod monument, found for the North corner of said Lot 13, lying on the Southeast line of said 30 foot access easement, surveyed this same day, and being the West corner of Lot 47 of Lake Valley Estates, Unit 30, Block 5, described in an instrument, recorded in Volume 5, Page 57, Plat Records, Wilson County, Texas, said point of beginning being the North corner of this tract of land;

Thence South 29° 19' 23" East, 224.39 feet, along the East line of said Lot 13, being the West line of said Lot 47, and continuing along the West line of Lot 46, of said Lake Valley Estates Subdivision, Unit 30, Block 1, to a point marked by a 1/2 inch steel rod monument, found for an angle point of said Lot 13, being a reentrant corner of said Lot 46, said point being an angle point of this tract of land;

Thence South 01° 15' 01" East, 246.52 feet, along the East line of said Lot 13, being the West line of said Lot 46, to a point marked by a 1/2 inch steel rod monument, found for the East corner of said Lot 13, being the West corner of said Lot 46, and the North corner of Lot 36, of said Lake Valley Estates Subdivision, Unit 30, Block 1, said point being the East corner of this tract of land;

Thence South 59° 58' 45" West, 708.02 feet, along the Southeast line of said Lot 13, being the Northwest line of said Lot 36, and continuing along the Northwest line of Lot 35, and Lot 34, of said Lake Valley Estates Subdivision, Unit 30, and the Northwest line of Lot 17, of said Lake Valley Estates Subdivision, Unit 1, Block 3, to a point marked by a 1/2 inch steel rod monument, found for the South corner of said Lot 13, being the West corner of said Lot 17, and lying on the East line of Lot 19, of said Lake Valley Estates Subdivision, Unit 1, Block 3, said point being the South corner of this tract of land;

Thence North 20° 04' 26" East, 490.27 feet, along the West line of said Lot 13, being the East line of said Lot 19, to a point marked by 1/2 inch steel rod monument, found for a reentrant corner of said Lot 13, being a salient corner of said Lot 19, this point being a reentrant corner of this tract of land;

Thence North 21° 25' 16" West, 132.02 feet, along the West line of said Lot 13, being the East line of said Lot 19, to a point marked by a 1/2 inch steel rod monument, found for the West corner of said Lot 13, being the South corner of said 30 foot access easement, said point being the West corner of this tract of land;

Thence North 60° 35' 06" East, 433.60 feet, along the Northwest line of said Lot 13, being the Southeast line of said 30 foot access easement, to the point of beginning;

**Together with a 30 foot access easement**

A 30 foot access easement, being out of Lake Valley Estates Subdivision, Unit 1, Block 3, described in an instrument, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas, shown on the accompanying Plat of Survey prepared for SS WSC, dated February 14, 2022, said easement being more particularly described by metes and bounds as follows:

Beginning at a 1/2 inch steel rod monument, found for the lower East corner of said 30 foot access easement, being the North corner of Lot 48 of Lake Valley Estates Subdivision, Unit 30, Block 1, described in an instrument, recorded in Volume 5, Page 57, Plat Records, Wilson County, Texas, and lying on the West line of Lakeview Circle, said point of beginning being the East corner of this easement;

Thence South 60° 33' 05" West, 556.63 feet, along the Southeast line of said 30 foot access easement, being the Northwest line of said Lot 48, and continuing along the Northwest line of Lot 47, of said Lake Valley Estates Subdivision, Unit 30, Block 1, to a point marked by a 1/2 inch steel rod monument, found for the North corner of Lot 13 of said Lake Valley Estates Subdivision, Unit 1, Block 3, being the West corner of said Lot 47, said point being an angle point of this tract of land;

Thence South 60° 35' 06" West, 433.60 feet, along the Southeast line of said 30 foot access easement, being the Northwest line of said Lot 13, to a point marked by a 1/2 inch steel rod monument, found for the South corner of said 30 foot access easement, being the North corner of said Lot 13, and lying on the East line of Lot 19, of said Valley Estates Subdivision, Unit 1, Block 3, said point being the South corner of this easement;

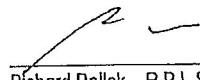
Thence North 22° 04' 16" West, 30.26 feet, along the West line of said 30 foot access easement, being the East line of said Lot 19, to a point marked by a 5/8 inch steel rod monument, with a cap stamped Rakowitz Engineering and Surveying, set for the West corner of said 30 foot access easement, being the Southwest corner of Lot 11, of said Valley Estates Subdivision, Unit 1, Block 3, said point being the West corner of this easement;

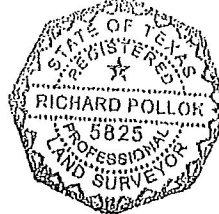
Thence North 60° 33' 15" East, 998.48 feet, along the Northwest line of said 30 foot access easement, being the Southeast line of said Lot 11, to a 1/2 inch steel rod monument, found for the North corner of said 30 foot access easement, being the East corner of said Lot 11, and lying on the West line of said Lakeview Circle, said point being the North corner of this easement;

Thence South 07° 34' 02" East, 32.56 feet, along the East line of said 30 foot access easement, being the West line of said Lakeview Circle, to the point of beginning;

The basis of bearing for this survey is Grid North, Texas State Plane Coordinate System, NAD 83 (2011), South Central Zone.

I, Richard Pollok, being a Registered Professional Land Surveyor, registered in the State of Texas, do hereby certify that the foregoing field notes for Lot 13, together with a 30 foot access easement, on the accompanying Plat of Survey prepared for SS WSC, dated February 14, 2022, were prepared from an actual survey done under my supervision and that to the best of my knowledge and belief they are a true and correct representation of said survey.

  
Richard Pollok R.P.L.S. 5825  
Rakowitz Engineering and Surveying  
515 W. Oaklawn Ste. A  
Pleasanton, Texas 78064  
830-281-4060



**EXHIBIT H**

**AFFIDAVIT REGARDING LEASES**

**AFFIDAVIT REGARDING LEASES**

DATE: February 17, 2022

OWNER/AFFIANT: Las Palomas Water Services Company, a Texas Corporation

TITLE COMPANY: Fidelity National Title Insurance Company, (Underwriter) and Seguin Title Company (closing agent)

**PROPERTY:**

Tract 1: Lot 13, Block 3, Unit 1, as depicted on plat of Lake Valley Estates, a subdivision recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas.

Tract 2: Thirty foot (30') lane accessing Lot 13, Block 3, Unit 1, depicted on Lake Valley Estates, a subdivision, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas; being the same access lane granted to Las Palomas Water Services Company in General Warranty Deed dated July 8, 2003, recorded in Volume 1170, Page 721, Official Public Records, Wilson County, Texas.

Tract 1 and Tract 2 are more particularly described by metes and bounds on Exhibit A, attached hereto and made a part hereof for all purposes.

Note: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override Item #2 of Schedule B hereof.

AFFIANT swears that the following statements are true and within the personal actual knowledge of AFFIANT:

1. AFFIANT has personal knowledge of the facts stated in the affidavit. Affiant has full authority to make the agreements in this affidavit.
2. AFFIANT understands that BUYER and TITLE COMPANY have requested this affidavit as a condition of closing.
3. AFFIANT has no knowledge of any lease affecting the Property which is not reflected in the Commitment for Title Insurance issued by the Title Company. There are no outstanding unreleased leases or other contracts under or pursuant to which any party has the right to possession of the Property. There are no tenants or other parties in possession of any portion of the Property or have the right to be in possession of any portion of the Property, other than the following: (if None, insert the word "None")

NONE

AFFIANT agrees to indemnify and hold BUYER and TITLE COMPANY harmless from any loss or expense resulting from false or incorrect information in this affidavit.

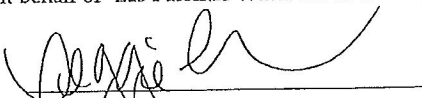
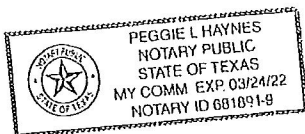
EXECUTED this 17 day of February, 2022

AFFIANT::



Donald G. Rauschuber,  
Court Appointment Receiver  
for Las Palomas Water System  
Services Company, a Texas  
corporation, pursuant to order  
of the court in Cause No.  
D-1-GN-18-000837 in the 98th  
Judicial Court, Travis County,  
Texas

SWORN TO AND SUBSCRIBED BEFORE ME on this the 17 day of February, 2022 by  
Donald G. Rauschuber, Court Receiver on behalf of Las Palomas Water Services Company, a  
Texas Corporation

  
Notary Public, State of Texas

# EXHIBIT "A"

SS WSC -- 22-2607 -- Lot 13 together with a 30 foot access easement -- Page 1 of 2

State of Texas.  
County of Wilson

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Thence South 59° 58' 45" West, 708.02 feet, along the Southeast line of said Lot 13, being the Northwest line of said Lot 36, and continuing along the Northwest line of Lot 35, and Lot 34, of said Lake Valley Estates Subdivision, Unit 30, and the Northwest line of Lot 17, of said Lake Valley Estates Subdivision, Unit 1, Block 3, to a point marked by a 1/2 inch steel rod monument, found for the South corner of said Lot 13, being the West corner of said Lot 17, and lying on the East line of Lot 19, of said Lake Valley Estates Subdivision, Unit 1, Block 3, said point being the South corner of this tract of land;

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Thence North 60° 35' 06" East, 433.60 feet, along the Northwest line of said Lot 13, being the Southeast line of said 30 foot access easement, to the point of beginning;

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Thence North 60° 33' 15" East, 998.48 feet, along the Northwest line of said 30 foot access easement, being the Southeast line of said Lot 11, to a 1/2 inch steel rod monument, found for the North corner of said 30 foot access easement, being the East corner of said Lot 11, and lying on the West line of said Lakeview Circle, said point being the North corner of this easement;

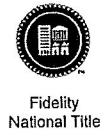
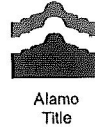
Thence South 07° 34' 02" East, 32.56 feet, along the East line of said 30 foot access easement, being the West line of said Lakeview Circle, to the point of beginning;

The basis of bearing for this survey is Grid North, Texas State Plane Coordinate System, NAD 83 (2011), South Central Zone.

I, Richard Pollok, being a Registered Professional Land Surveyor, registered in the State of Texas, do hereby certify that the foregoing field notes for Lot 13, together with a 30 foot access easement, on the accompanying Plat of Survey prepared for SS WSC, dated February 14, 2022, were prepared from an actual survey done under my supervision and that to the best of my knowledge and belief they are a true and correct representation of said survey.

Richard Pollok R.P.L.S. 5825  
Rakowitz Engineering and Surveying  
515 W. Oaklawn Ste. A  
Pleasanton, Texas 78064  
830-281-4060





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# UNDERWRITING BULLETIN

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8750 N. CENTRAL EXPWY, SUITE 950 • DALLAS, TEXAS 75231 • 800-442-7067

**BULLETIN NO. FNTG-TX-2013-03**

**TO:** All Agents and Direct Operations in the State of Texas  
**FROM:** Regional Underwriting  
**DATE:** July 29, 2013  
**RE:** Sale of Real Property by Receiver

---

Insuring a sale of real property by a court-appointed receiver constitutes an extra hazardous risk and you should not close or insure such a transaction unless the underwriting guidelines delineated in this bulletin are satisfied.

## Introduction

A sale of real property by a court-appointed receiver is accomplished pursuant to the same four (4)/ five (5) step process required for a sale of real property by a dependent administrator or guardian. The sale of real property by a dependent administrator or guardian will be addressed in a subsequent company bulletin.

The four (4)/ five (5) steps are:

- Step 1- Application for Sale of Real Property;
- Step 2- Order Authorizing Sale;
- Step 3- Report of Sale;
- Step 4- Decree Confirming Sale;
- Step 5- Execution of Deed following Confirmation of Sale;

Often, there is confusion as to this four (4)/five (5) process as what is reported in the Report of Sale is the execution of a contract for sale/real estate contract and it is the Decree Confirming Sale that is the authorization for the transaction to close and fund. The Deed must be executed by the receiver after the entry of the Decree Confirming Sale and the deed must make reference to the Decree Confirming Sale.

**UNDERWRITING NOTE:** As to a sale of real property by a dependent administrator or guardian, the Texas Probate Code provides that the Report of Sale must be on file with the court for at least 5 days before the court is authorized to enter the Decree Confirming Sale. In order to ensure due process, FNTG requires the identical five-day waiting period for a sale by a court-appointed receiver.

**Underwriting Guidelines**

1. Do not close or insure a sale by a court-appointed receiver without Regional Underwriting approval;
2. As a general rule, FNTG will not insure a sale of real property by a court-appointed receiver until the expiration of thirty (30) days from the date the Decree Confirming Sale has been entered by the court and satisfactory evidence that no appeal has been filed within said thirty (30) day period;
3. You must verify that the owner has vacated the property and there are no other parties/tenants in possession of the property;
4. You must verify that the owner was not in active duty military service at the time of the receiver's sale or within one (1) year of the sale;
5. You must verify that the receiver's Application for Sale of Real Property was properly served on all interested parties;
6. You must verify that the court has entered an Order Authorizing Sale of Real Property and that the Application for Sale of Real Property was properly served on all interested parties;
7. You must verify that the Report of Sale was filed with the court and the Report was properly served on all interested parties;
8. You must verify that the court has entered a Decree Confirming Sale and the Decree must be dated at least five (5) days after the date the Report of Sale was filed with the court;
9. You must verify that no appeal has been filed within thirty (30) days of the entry of the Decree Confirming Sale;
10. You must verify that all ad valorem taxes have been paid previously or will be paid in your closing, or you must take exception to the tax years that are not paid;
11. All recorded liens shown in your title commitment must be released/paid in your closing or you must take exception to said liens;

**UNDERWRITING NOTE:** FNTG will not rely upon a court order authorizing the sale of real property by a receiver "free and clear" of liens;

12. The Deed executed by the receiver must be executed after the entry of the Decree Confirming Sale and the Deed should refer to and identify the Decree Confirming Sale;

As always, if you have any questions concerning these matters, please do not hesitate to contact the Regional Underwriting.



Alamo  
Title



Chicago  
Title



Commonwealth  
Land Title



Fidelity  
National Title

**Cause No. D-1-GN-18-000837**

**STATE OF TEXAS,  
Plaintiff**

**S.S. WATER SUPPLY  
CORPORATION,  
Intervenor**

**VS.**

**LAS PALOMAS WATER  
SERVICES COMPANY,  
Defendant**

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IN THE DISTRICT COURT OF

**TRAVIS COUNTY**

**98<sup>th</sup> JUDICIAL DISTRICT**

## ORDER APPROVING SALE AND TRANSFER OF WATER SYSTEM AND UTILITY

BE IT REMEMBERED, that on this Tuesday, the 15<sup>th</sup> day of February, 2022, came on for consideration before this Court the Joint Motion to Approve Sale and Transfer of Water System and Utility, operating under Certificate of Convenience and Necessity ("CCN") No. 12308 and Public Water System ("PWS") No. TX2470020, and upon review of the motion and any response(s) on file, the argument of counsel, and the applicable law, it is the Finding of the Court that the motion is meritorious, that the factual recitals are true, that the Texas Water and Utilities Codes provide that continuous service by the public utility herein is essential to the safety and health of the public,<sup>1</sup> and, based on the January 31, 2022, Order of the Public Utility Commission of Texas ("PUC") and the Findings and Conclusions contained therein (including the updated/revised map to be adopted thereafter by the PUC), this Judgment in all respects is GRANTED.

<sup>1</sup> See Texas Utilities Code §186.002 and Texas Water Code, §§13.241 & 13.251.

It is therefore ORDERED, ADJUDGED and DECREED that the Joint Motion to Approve Sale and Transfer of Water System and Utility be GRANTED as follows:

The sale and transfer of the retail public water supply system previously numbered PWS No. 2470020 (i.e., the "Water System and Utility") by Donald G. Rauschuber, Receiver for Las Palomas Water Services Company ("Receiver"), LLC, to S.S. Water Supply Corporation ("SSWSC") is hereby ordered pursuant to the terms of that certain "Sale, Transfer & Merger Memorandum of Agreement Between the Las Palomas Water Service Company/Lake Valley Water Service Corporation (PWS 2470020 and CCN 12308) and S.S. Water Supply Corporation (PWS No. 2470015 and CCN No. 11489)," dated February 8, 2021, and its Addendum, dated April 12, 2021, and related documents, which are in all respects confirmed, ratified and approved as contemplated by the Public Utility Commission of Texas's Order dated January 31, 2022, and as contemplated by this Court on August 3, 2021, in its Order of the same date.

It is therefore ORDERED that the sale of the Water System and Utility shall be consummated and closed into escrow by and with Seguin Title Company on or before close of business Wednesday, February 16, 2022, via escrow deposit of \$209,769.74 by the Transferee, SSWSC, with Seguin Title Company and the following by Receiver: i) a deed executed by Receiver conveying Wilson County Property ID Numbers 20781 and 35019 to SSWSC; ii) an assignment executed by Receiver transferring to SSWSC all easements associated with and standing in the name of the Water System and Utility and customers thereof; and iii) a bill of sale executed by Receiver conveying to SSWSC all personal property associated with the Water System and Utility, including the water meters (Wilson County Property ID No. 35109) and all water mains, distribution lines, valves, and other water system appurtenances of any nature whatsoever, and all miscellaneous personal property of the Water System and Utility necessary to own and operate the Water System and Utility and provide public water service under Chapter 13 of the Texas Water Code. All costs of title insurance and survey by Rakowitz Engineering for the access lane to Lot 13, Unit 3, Lake Valley Estates

Subdivision shall be borne by the Transferee, SSWSC. All other costs, taxes, fees, and expenses for closing will be borne by the Transferor, the Water System and Utility. Transferee, SSWSC, and Transferor, the Water System and Utility, shall bear the respective costs of their individual general liability insurance in the amount of \$500,000 per individual/\$1,000,000 per incident, which shall remain in effect until each meter is physically connected to the Transferee's system.

It is further ORDERED that actual commencement of SSWSC's administration and management of each and every account and meter for existing customers within the defined area covered by the Water System and Utility's CCN (CCN No. 12308) and its Public Water System (PWS No. TX2470020), and the processing of paperwork related thereto, shall occur in accordance with a written schedule to be agreed upon by the Receiver and SSWSC's General Manager (the "Agreed Schedule"). A copy of said Agreed Schedule shall be filed with the Clerk of this Court, whereupon it shall be deemed adopted by this Court at this place in this Order.

It is further ORDERED that, upon SSWSC's commencement of the administration and management of the accounts and meters of the existing eligible customers within the defined area covered by the Water System and Utility's CCN and its PWS in accordance with the Agreed Schedule and as set forth above, all previously existing receivables/liabilities, other than the closing expenses for which SSWSC is responsible as set forth above, shall remain the responsibility of Receiver and/or Las Palomas Water Services Company, along with reports, fees or taxes required by authorities with jurisdiction over the operation of the Water System and Utility related to the period prior to SSWSC's commencement of the administration and management of the accounts and meters. Any net cash in possession of

the Receiver upon the discharge of the Receiver and termination of the Receivership by this Court shall be transferred to SSWSC as a contribution in aid of construction for the benefit of the customers within the defined area covered by the Water System and Utility's CCN and its PWS (including the PUC's updated map).

It is further ORDERED that, from and after the date on which SSWSC commences the administration and management of the accounts and meters of the existing eligible customers within the defined area covered by the Water System and Utility's CCN and its PWS in accordance with the Agreed Schedule and as set forth above, each qualified account holder or applicant located within the Water System and Utility being transferred shall fully comply with the rates, charges and tariff provisions of SSWSC, and all attendant SSWSC tariff requirements specified for purposes of securing SSWSC water service and providing necessary customer administration and management which shall be in effect for the customers eligible for service or being served by SSWSC.

It is further ORDERED that, after Receiver completes the transfer of service of the Water System and Utility customers to SSWSC, Receiver shall file with this Court (with copies simultaneously filed with the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, and the Texas Attorney General's Office) a final accounting and a request for a hearing to declare all receivership duties to be complete, to discharge his duties as Receiver, to terminate the receivership pursuant to the Receivership Order and its amendments previously entered in this matter, and to release any surety or bond related thereto.

And, all Parties receiving a certified copy of this Order as final Judgment shall comply therewith as if formally served with a copy of this Order

Except as provided herein, each Party shall bear their respective costs and attorneys' fees incurred.

All relief not expressly granted herein is hereby DENIED.

Signed on this 15<sup>th</sup> day of February, 2022.

/s/ Catherine A. Mauzy  
JUDGE PRESIDING

**APPROVED AS TO FORM:**

Lynn Sherman  
Lynn Sherman  
State Bar No. 18243630  
Lynn Sherman Law Firm  
P.O. Box 5605  
Austin, Texas 78763-5605  
Telephone: 512-431-6515  
Email: [ls Sherman@h2otx.com](mailto:ls Sherman@h2otx.com)  
*Attorney for Donald G. Rauschuber, Receiver*

/s/  
Louis T. Rosenberg,  
State Bar No. 17271300  
Nohl Bryant, Of Counsel  
State Bar No. 24050346  
The Law Office of Louis T. Rosenberg, P.C.  
1024 C Street  
Floresville, Texas 78114  
*Attorney for S.S. Water Supply Corporation,  
Intervenor*

/s/  
Tyler Ryska  
Assistant Attorney General  
Environmental Protection Division  
Office of the Texas Attorney General  
P.O. Box 12548  
Capitol Station  
Austin, Texas 78711-2548  
*Attorney for Plaintiff*

**TITLE COMPANY DISCLOSURES**  
**Seguin Title Company**

**GUARANTY FILE NO.:** 034128STC

**SELLER (WHETHER ONE OR MORE):** Las Palomas Water Services Company, a Texas Corporation

**BUYER (WHETHER ONE OR MORE):** S. S. Water Supply Corporation, a Chapter 67, Texas Water Code Retail Public Utility

**LENDER:**

**PROPERTY:**

**Tract 1:** Lot 13, Block 3, Unit 1, as depicted on plat of Lake Valley Estates, a subdivision recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas.

**Tract 2:** Thirty foot (30') lane accessing Lot 13, Block 3, Unit 1, depicted on Lake Valley Estates, a subdivision, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas; being the same access lane granted to Las Palomas Water Services Company in General Warranty Deed dated July 8, 2003, recorded in Volume 1170, Page 721, Official Public Records, Wilson County, Texas.

Tract 1 and Tract 2 are more particularly described by metes and bounds on Exhibit A, attached hereto and made a part hereof for all purposes.

**Note:** The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override Item #2 of Schedule B hereof.

By initialing some or all of the following items as may be appropriate for this transaction, each SELLER and/or BUYER acknowledges their understanding of the disclosures being made by Seguin Title Company (hereinafter called "TITLE COMPANY"). Each disclosure is being made to BUYER and SELLER on behalf of both TITLE COMPANY and its title insurance underwriter.

Buyer's Initials                      1) **WAIVER OF INSPECTION.** In consideration of the issuance by TITLE COMPANY to BUYER of either an Owner Policy of Title Insurance (T-1) or a Residential Policy of Title Insurance (T-1R) – (in this document either such policy, unless specifically referred to otherwise, is referred to as the "Owner Title Policy") insuring good and indefeasible title to the Property, except as to be shown in Schedule B of the Owner Title Policy and subject to the terms and conditions of such Owner Title Policy, BUYER hereby waives any obligation on the part of TITLE COMPANY to inspect the property.

BUYER agrees to accept an Owner Title Policy containing the Schedule B Exception for "RIGHTS OF PARTIES IN POSSESSION". "Rights of Parties in Possession" shall mean one or more persons or entities who are themselves actually physically occupying the property or a portion thereof under a claim or right, adverse to the insured owner of the Property as shown on Schedule "A" of the Owner Title Policy. Within the meaning of this exception, "possession" includes open acts or visible evidence of occupancy and any visible and apparent roadway or easement on or across all or any part of the Property, but this exception does not extend to any right, claim, or interest evidenced by a document recorded in the real estate records maintained by the County Clerk of the county in which the Property is located.

However, if the BUYER does not initial this paragraph, the BUYER is indicating the BUYER'S refusal to accept an Owner Title Policy containing an exception as to "RIGHTS OF PARTIES IN POSSESSION". The Title Company may then require an inspection of the Property and additional charges may be assessed for the reasonable and actual costs of such an inspection. TITLE COMPANY may make additional exceptions in Schedule B of the Owner Title Policy for matter as revealed by such inspection.

Buyer's Initials                      2) **RECEIPT OF COMMITMENT** BUYER hereby acknowledges having received and reviewed a copy of the Commitment for Title Insurance issued in connection with the above referenced transaction and any copies of the documents described therein requested by BUYER. BUYER understands that the Owner Title Policy will contain the exceptions set forth in Schedule B of the Commitment for Title Insurance, together with any additional exceptions to title resulting from the final down date search of the public records and from the documents involved in this transaction and any additional exceptions for items shown in Schedule C for the Commitment for Title Insurance which have not been resolved.

Check Selection

Buyer Acknowledges Receipt by: ☒ Email ☐ Paper Copy ☐ Fax

Buyer's Initials

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**3) UNSURVEYED PROPERTY**

BUYER understands that no up-to-date survey of the Property has been done in connection with this transaction and that the Owner Title Policy to be issued to BUYER will not provide title insurance coverage against encroachments, and/or protrusions of improvements, boundary conflicts or other matters that would be found by a current survey. TITLE COMPANY has not attempted to determine if the Property lies in a special flood hazard area, and TITLE COMPANY has not made any representation concerning proximity of the Property in relation to any flood plain or flood hazard area. BUYER is advised that information concerning special flood hazard areas may be available from county or municipal offices, a qualified surveyor or land-engineering company, or a private flood-plain consultant.

Buyer's Initials

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**4) SURVEY ACKNOWLEDGEMENT**

The survey used in this transaction may suggest that the surveyor used information provided by TITLE COMPANY in determining the boundaries. Be advised the surveyor has access to the public records and the surveyor's reliance on TITLE COMPANY's data was a choice made by the surveyor. TITLE COMPANY accepts no responsibility as to the survey or the surveyor's determination of boundaries or any other information contained in the survey whether he relied on data provided by TITLE COMPANY, the public records, or any other provider of information.

Buyer's Initials

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**5) BOUNDARY COVERAGE**

In this transaction BUYER is being issued an a Residential Owner Policy of Title Insurance (T-1R) or an Owner Policy of Title Insurance (T-1). BUYER understands that if a survey plat of the property is provided to and accepted by the title company and all other requirements are satisfied, then BUYER may purchase additional coverage to insure against loss because of *discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements* ("boundary coverage"), but that this additional coverage does not cover "shortages in area". BUYER also understands that even if BUYER purchases the boundary coverage, the title policy may contain exceptions to specific matters that are shown on the survey of the property. The boundary coverage will cost an additional five (5%) percent of the basic premium charge for a T-1R policy or an additional fifteen (15%) percent of the basic premium charge for a T-1 policy.

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\_\_\_\_\_ BUYER ELECTS TO OBTAIN THIS ADDITIONAL COVERAGE

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\_\_\_\_\_ BUYER DECLINES TO OBTAIN THIS ADDITIONAL COVERAGE

Buyer's Initials

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**6) HOMEOWNER'S ASSOCIATION**

BUYER acknowledges that ownership of the Property may involve membership in a Homeowner's, Condominium, or other Property Owner's Association, to which monthly or annual dues or assessments may be owed. These dues or assessments may be enforceable by a lien against the Property. BUYER understands that the Association (or its managing agent) should be contacted by BUYER Immediately to ascertain the exact amount of future dues or assessments. TITLE COMPANY has made no representations with respect to, such Associations' annual budget, pending repairs, or deferred maintenance, if any, or other debts of the Association. BUYER accepts sole responsibility to obtain such information and verify its accuracy to BUYER'S satisfaction.

Buyer's Initials

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**7) CLOSING DISCLAIMER**

SELLER and BUYER each acknowledge and understand that the above referenced transaction has not yet "closed". Any change in the possession of the Property takes place AT BUYER'S AND SELLER'S OWN RISK. THIS TRANSACTION IS NOT "CLOSED" UNTIL:

- A) ALL TITLE REQUIREMENTS ARE COMPLETED TO SATISFACTION OF TITLE COMPANY;  
B) ALL NECESSARY DOCUMENTS ARE PROPERLY EXECUTED, REVIEWED, AND ACCEPTED BY THE PARTIES TO THIS TRANSACTION AND BY TITLE COMPANY; AND  
C) ALL FUNDS ARE COLLECTED AND DELIVERED TO AND ACCEPTED BY THE PARTIES TO WHOM THEY ARE DUE.

Seller's Initials

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Buyer's Initials

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**8) ARBITRATION**

This paragraph does not apply to The Residential Owner Policy (T-1R). The parties may later agree to arbitrate under the Residential Owner Policy (T-1R).

You may require deletion of the arbitration provision of the Owner Title Policy. If you do not delete this provision, either you or the Company may require arbitration, if the law allows. There is no charge to delete this provision.

IF YOUR POLICY IS NOT A TEXAS RESIDENTIAL OWNER POLICY (T-1R), YOU MAY REQUIRE DELETION OF THE ARBITRATION PROVISION BY MARKING OUT THIS PARAGRAPH 8.

Seller's Initials

*dgr Receiver*

**9) IRS REPORTING**

SELLER acknowledges having received at closing a copy of the HUD-1 Settlement Statement as a Substitute Form 1099-S. In accordance with federal tax regulations, information from the HUD-1 Statement will be furnished to the Internal Revenue Service

Buyer's Initials

*[Signature]*

**10) ERRORS AND OMISSIONS**

In the event that any of the documents prepared in connection with the closing of this transaction contain errors and omissions which misstate or inaccurately reflect the true and correct terms, conditions and provisions of this closing, and the inaccuracy or misstatement is due to a clerical error or to a unilateral mistake on the part of the TITLE COMPANY, or to a mutual mistake on the part of the TITLE COMPANY and/or the SELLER and/or the BUYER, the undersigned agree to execute, in a timely manner, such correction documents as TITLE COMPANY may deem necessary to remedy such inaccuracy or misstatement

Seller's Initials

*dgr Receiver*

Buyer's Initials

*[Signature]*

**11) ROLLBACK TAXES AND/OR SUPPLEMENTAL TAX BILLS**

BUYER(S) agrees that the Owner's Title Policy will contain an exception to "Subsequent assessments for the prior years due to Change in Land usage or ownership". In the event that some or all of the property is currently subject to reduced taxation due to designation as "open space" or "agricultural use" or "Over 65" or "Disability", or is currently exempt from taxation, and said property is subsequently assessed for roll-back taxes and/or supplemental tax bills because of change in land use or ownership of the property, BUYERS AND SELLERS, agree that they will pay all roll-back taxes and/or supplemental taxes assessed against the Property, for all periods prior to the date hereof. The BUYERS and SELLERS will agree among themselves regarding their respective obligations and TITLE COMPANY shall have no responsibility for resolution of their respective rights or for payment of the roll-back taxes and/or supplemental tax bills.

Seller's Initials

*dgr Receiver*

Buyer's Initials

*[Signature]*

**12) ATTORNEY REPRESENTATION AND NOTICE**

BUYER may wish to consult an attorney to discuss the matters shown on Schedule B or C of the Commitment for Title Insurance that was issued in connection with this transaction. These matters will affect the title and use of the Property. The Title Insurance Policy will be a legal contract between BUYER and the underwriter. Neither the Commitment for Title Insurance nor the Title Insurance Policy is an abstract of title, title reports, or representations of title. They are contracts of indemnity. no representation is made that your intended use of the Property is allowed under law or under the restrictions or exceptions affecting the property.

Seller's Initials

*[Signature]*

**13) PAYOFF AGREEMENT**

It is hereby acknowledged that the Payoff information (loan balance, reserve account information, late charges, interest, etc.) relative to the referenced loan were provided to TITLE COMPANY by Lender and TITLE COMPANY does not guarantee nor can it be held liable for the accuracy of said information. SELLER does hereby authorize Lender to deduct from the impound/reserve account and any additional amount necessary to pay in full the referenced loan; and further agrees that in the event Lender can not or will not make such deductions from the impound/reserve account, then Seller will immediately deliver the required additional funds to TITLE COMPANY. SELLER further agrees to hold harmless TITLE COMPANY from any and all claims or actions that may arise due to inadequate or inaccurate loan payoff information. Title company also has authority to amend closing statement to add additional interest or fees if funding is delayed or additional fees are added after payoff quote is given or in case of error calculating payoff quote. Seller will receive an amended closing statement showing the increased payoff amount.

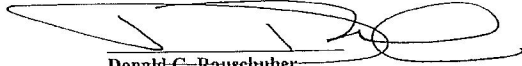
Buyer's Initials

*[Signature]*

**14) ACCEPTANCE OF PROPERTY**

Unless otherwise agreed between parties, BUYER/BORROWER has inspected the Property prior to closing and does hereby accept the Property in its present condition "AS IS", "WHERE IS", and "WITH ALL FAULTS". Except as expressly set forth in the Contract, BUYER/BORROWER acknowledges that SELLER has not made and does not make any warranties or representations as to the physical improvements on the Property or any appurtenances thereto, and BROKER(S) AND/OR AGENT(S), if any and all liability in connection with the condition of the Property.

SELLER SIGNATURE

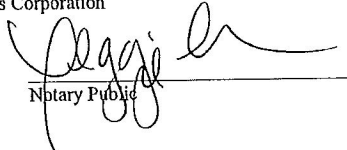
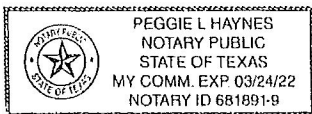


Donald G. Rauschuber,  
Court Appointment Receiver  
for Las Palomas Water System  
Services Company, a Texas  
corporation, pursuant to order  
of the court in Cause No.  
D-1-GN-18-000837 in the 98th  
Judicial Court, Travis County,  
Texas

State of Texas

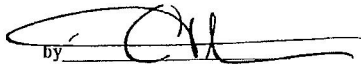
County of Guadalupe

This instrument was acknowledged before me on the February 17, 2022 by Donald R. Rauschuber, Court Receiver  
on behalf of Las Palomas Water Services Company, a Texas Corporation

  
Notary Public

BUYER SIGNATURE

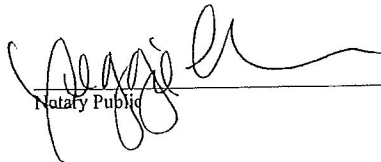
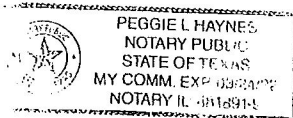
S. S. Water Supply Corporation, a  
Chapter 67, Texas Water Code  
Retail Public Utility



by  
Carlos Febus  
General Manager

State of Texas  
County of Guadalupe

This instrument was acknowledged before me on the February 17, 2022 by Carlos Febus, General Manager of S. S.  
Water Supply Corporation, a Chapter 67, Texas Water Code Retail Public Utility

  
Notary Public

# EXHIBIT "A"

SS WSC - 22-2607 - Lot 13 together with a 30 foot access easement - Page 1 of 2

State of Texas  
County of Wilson

Field notes for Lot 13, of the Lake Valley Estates Subdivision, Unit 1, together with a 30 foot access easement, as shown on the accompanying Plat of Survey, prepared for SS WSC, dated February 14, 2022.

Field notes for Lot 13, of the Lake Valley Estates Subdivision, together with a 30 foot access easement, described in an instrument, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas, Texas, said tract of land being more particularly described by metes and bounds as follows:

Beginning at a 1/2 inch steel rod monument, found for the North corner of said Lot 13, lying on the Southeast line of said 30 foot access easement, surveyed this same day, and being the West corner of Lot 47 of Lake Valley Estates, Unit 30, Block 5, described in an instrument, recorded in Volume 5, Page 57, Plat Records, Wilson County, Texas, said point of beginning being the North corner of this tract of land;

Thence South 29° 19' 23" East, 224.39 feet, along the East line of said Lot 13, being the West line of said Lot 47, and continuing along the West line of Lot 46, of said Lake Valley Estates Subdivision, Unit 30, Block 1, to a point marked by a 1/2 inch steel rod monument, found for an angle point of said Lot 13, being a reentrant corner of said Lot 46, said point being an angle point of this tract of land;

Thence South 01° 15' 01" East, 246.52 feet, along the East line of said Lot 13, being the West line of said Lot 46, to a point marked by a 1/2 inch steel rod monument, found for the East corner of said Lot 13, being the West corner of said Lot 46, and the North corner of Lot 36, of said Lake Valley Estates Subdivision, Unit 30, Block 1, said point being the East corner of this tract of land;

Thence South 59° 58' 45" West, 708.02 feet, along the Southeast line of said Lot 13, being the Northwest line of said Lot 36, and continuing along the Northwest line of Lot 35, and Lot 34, of said Valley Estates Subdivision, Unit 30, and the Northwest line of Lot 17, of said Lake Valley Estates Subdivision, Unit 1, Block 3, to a point marked by a 1/2 inch steel rod monument, found for the South corner of said Lot 13, being the West corner of said Lot 17, and lying on the East line of Lot 19, of said Valley Estates Subdivision, Unit 1, Block 3, said point being the South corner of this tract of land;

Thence North 20° 04' 26" East, 490.27 feet, along the West line of said Lot 13, being the East line of said Lot 19, to a point marked by 1/2 inch steel rod monument, found for a reentrant corner of said Lot 13, being a salient corner of said Lot 19, this point being a reentrant corner of this tract of land;

Thence North 21° 25' 16" West, 132.02 feet, along the West line of said Lot 13, being the East line of said Lot 19, to a point marked by a 1/2 inch steel rod monument, found for the West corner of said Lot 13, being the South corner of said 30 foot access easement, said point being the West corner of this tract of land;

Thence North 60° 35' 06" East, 433.60 feet, along the Northwest line of said Lot 13, being the Southeast line of said 30 foot access easement, to the point of beginning;

## Together with a 30 foot access easement

A 30 foot access easement, being out of Lake Valley Estates Subdivision, Unit 1, Block 3, described in an instrument, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas, shown on the accompanying Plat of Survey prepared for SS WSC, dated February 14, 2022, said easement being more particularly described by metes and bounds as follows:

Beginning at a 1/2 inch steel rod monument, found for the lower East corner of said 30 foot access easement, being the North corner of Lot 48 of Lake Valley Estates Subdivision, Unit 30, Block 1, described in an instrument, recorded in Volume 5, Page 57, Plat Records, Wilson County, Texas, and lying on the West line of Lakeview Circle, said point of beginning being the East corner of this easement;

Thence South 60° 33' 05" West, 556.63 feet, along the Southeast line of said 30 foot access easement, being the Northwest line of said Lot 48, and continuing along the Northwest line of Lot 47, of said Lake Valley Estates Subdivision, Unit 30, Block 1, to a point marked by a 1/2 inch steel rod monument, found for the North corner of Lot 13 of said Lake Valley Estates Subdivision, Unit 1, Block 3, being the West corner of said Lot 47, said point being an angle point of this tract of land;

Thence South 60° 35' 06" West, 433.60 feet, along the Southeast line of said 30 foot access easement, being the Northwest line of said Lot 13, to a point marked by a 1/2 inch steel rod monument, found for the South corner of said 30 foot access easement, being the North corner of said Lot 13, and lying on the East line of Lot 19, of said Valley Estates Subdivision, Unit 1, Block 3, said point being the South corner of this easement;

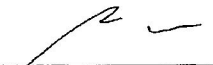
Thence North 22° 04' 16" West, 30.26 feet, along the West line of said 30 foot access easement, being the East line of said Lot 19, to a point marked by a 5/8 inch steel rod monument, with a cap stamped Rakowitz Engineering and Surveying, set for the West corner of said 30 foot access easement, being the Southwest corner of Lot 11, of said Valley Estates Subdivision, Unit 1, Block 3, said point being the West corner of this easement;

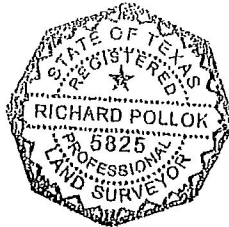
Thence North 60° 33' 15" East, 998.48 feet, along the Northwest line of said 30 foot access easement, being the Southeast line of said Lot 11, to a 1/2 inch steel rod monument, found for the North corner of said 30 foot access easement, being the East corner of said Lot 11, and lying on the West line of said Lakeview Circle, said point being the North corner of this easement;

Thence South 07° 34' 02" East, 32.56 feet, along the East line of said 30 foot access easement, being the West line of said Lakeview Circle, to the point of beginning;

The basis of bearing for this survey is Grid North, Texas State Plane Coordinate System, NAD 83 (2011), South Central Zone.

I, Richard Pollok, being a Registered Professional Land Surveyor, registered in the State of Texas, do hereby certify that the foregoing field notes for Lot 13, together with a 30 foot access easement, on the accompanying Plat of Survey prepared for SS WSC, dated February 14, 2022, were prepared from an actual survey done under my supervision and that to the best of my knowledge and belief they are a true and correct representation of said survey.

  
Richard Pollok R.P.L.S. 5825  
Rakowitz Engineering and Surveying  
515 W. Oaklawn Ste. A  
Pleasanton, Texas 78064  
830-281-4060



**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**RECEIVER'S GENERAL WARRANTY DEED and ASSIGNMENT  
OF UTILITY EASEMENTS/PROPERTY RIGHTS  
FOR OPERATION OF UTILITY**

**DATE:** February 16, 2022

**GRANTOR:** Water System and Utility  
by Donald G. Rauschuber, Receiver for Las Palomas  
Water Services Company ("Receiver"),  
a Texas Corporation, a/k/a Las Palomas  
Water Services Company, LLC

**GRANTOR'S MAILING ADDRESS:**

P.O. Box 342707  
Austin, Texas 78734

**GRANTEE:** S.S. Water Supply Corporation,  
a Chapter 67, Texas Water Code  
Retail Public Utility

**GRANTEE'S MAILING ADDRESS:**

P.O. Box 1000  
La Vernia, Texas 78121

**CONSIDERATION:**

The sum of TEN DOLLARS (\$10.00) paid to Grantor by Grantee and other good and valuable consideration the receipt and sufficiency of which are acknowledged by Grantor.

**PROPERTY (INCLUDING ANY IMPROVEMENTS):**

**Tract 1:**

Being the Water System and Utility, providing water service under PWS No. 2470020 and CCN No. 12308, located 5 miles east of La Vernia on Farm-to-Market Road 539, Wilson County, Texas, and legally described as Lake Valley Estates, Block 3, Lot 13 (U-1), Water Well Site, Acres 5.63; and as depicted on the plat of Lake Valley Estates, a subdivision recorded in Volume 4, Page 41, of the Plat Records of Wilson County, Texas; and more particularly described in a Warranty Deed to Las Palomas Water Services Company dated September 1, 2002, recorded in Volume 1126, Pages 214-215, of the Official Public Records of Wilson County, Texas.

**Tract 2:**

That certain 0.36 acre of land out of the H. & TC RR Co. Survey No. 39, A-171, Wilson County Texas, being more particularly described in the Exhibit "L" attached thereto and by reference made a part thereof; and more particularly described in a General Warranty Deed to Las Palomas Water Services Company dated July 8, 2003, recorded in Volume 1170, Page 721, of the Official Public Records of Wilson County, Texas.

**ASSIGNMENTS:**

All real property, easements, pipes, fittings, housings, and other appurtenances and other property attached to or used in the said Water System and Utility enjoined to Receiver by the Order of January 24, 2019.

**RESERVATIONS FROM CONVEYANCE:**

Subject only to any recorded reservations appearing in the Official Public Records of Wilson County, Texas.

**EXCEPTIONS TO CONVEYANCE AND WARRANTY:**

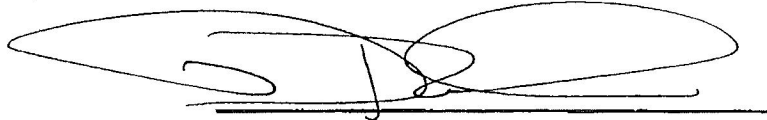
All validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing instruments, other than conveyances of the surface fee estate, that affect the Property; and taxes for time before this Deed. Grantee is tax exempt under state law and will not pay taxes on the property here transferred.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, **GRANTS, SELLS, and CONVEYS** to Grantee the Property, together with all and singular rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

GRANTEE IS TAKING THE PROPERTY IN AN ARM'S-LENGTH AGREEMENT BETWEEN THE PARTIES. THE CONSIDERATION WAS BARGAINED ON THE BASIS OF AN "AS IS, WHERE IS" TRANSACTION AND REFLECTS THE AGREEMENT OF THE PARTIES THAT THERE ARE NOT REPRESENTATIONS OR EXPRESS OR IMPLIED WARRANTIES.

When the context requires, singular nouns and pronouns include the plural.

In Witness Whereof:



**Water System and Utility,**  
by Donald G. Rauschuber, Receiver for  
Las Palomas Water Services Company,  
("Receiver"), a Texas Corporation, a/k/a Las  
Palomas Water Services Company, LLC,  
pursuant to the Order of January 24, 2019.  
GRANTOR

Attachments: Exhibit 1 – January 24, 2019, Order Appointing Receiver in the  
*State of Texas v. Las Palomas Water Services Company  
and Texas Rain Holding Company, Inc.*, Cause No.  
D-1-GN-18-000837, In the 98<sup>th</sup> Judicial District Court  
of Travis County, Texas; and

Exhibit 2 – Survey by Rakowitz Engineering.

STATE OF TEXAS

§

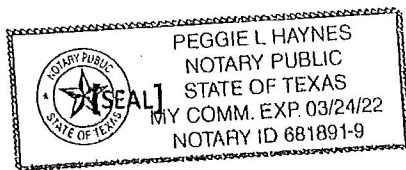
COUNTY OF Guadalupe


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Before me, the undersigned Notary Public, on this day personally appeared Donald G. Rauschuber, Duly Authorized Receiver for Las Palomas Water Services Company, a Texas Corporation, a/k/a Las Palomas Water Services Company, LLC, who proved to me to be the person whose name is subscribed to the foregoing Instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this <sup>17<sup>th</sup></sup> ~~16<sup>th</sup>~~ day of February, 2022.



  
NOTARY PUBLIC, STATE OF TEXAS  
My Commission Expires: 3.24.2022

**AFTER RECORDING RETURN TO:**

S.S. Water Supply Corporation  
P.O. Box 1000  
La Vernia, Texas 78121

State of Texas  
County of Wilson

Field notes for Lot 13, of the Lake Valley Estates Subdivision, Unit 1, together with a 30 foot access easement, as shown on the accompanying Plat of Survey, prepared for SS WSC, dated February 14, 2022.

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Thence South 01° 15' 01" East, 246.52 feet, along the East line of said Lot 13, being the West line of said Lot 46, to a point marked by a 1/2 inch steel rod monument, found for the East corner of said Lot 13, being the West corner of said Lot 46, and the North corner of Lot 36, of said Lake Valley Estates Subdivision, Unit 30, Block 1, said point being the East corner of this tract of land;

Thence South 59° 58' 45" West, 708.02 feet, along the Southeast line of said Lot 13, being the Northwest line of said Lot 36, and continuing along the Northwest line of Lot 35, and Lot 34, of said Valley Estates Subdivision, Unit 30, and the Northwest line of Lot 17, of said Lake Valley Estates Subdivision, Unit 1, Block 3, to a point marked by a 1/2 inch steel rod monument, found for the South corner of said Lot 13, being the West corner of said Lot 17, and lying on the East line of Lot 19, of said Valley Estates Subdivision, Unit 1, Block 3, said point being the South corner of this tract of land;

Thence North 20° 04' 26" East, 490.27 feet, along the West line of said Lot 13, being the East line of said Lot 19, to a point marked by 1/2 inch steel rod monument, found for a reentrant corner of said Lot 13, being a salient corner of said Lot 19, this point being a reentrant corner of this tract of land;

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Thence North 60° 35' 06" East, 433.60 feet, along the Northwest line of said Lot 13, being the Southeast line of said 30 foot access easement, to the point of beginning;

**Together with a 30 foot access easement**

A 30 foot access easement, being out of Lake Valley Estates Subdivision, Unit 1, Block 3, described in an instrument, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas, shown on the accompanying Plat of Survey prepared for SS WSC, dated February 14, 2022, said easement being more particularly described by metes and bounds as follows:

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Thence South 60° 33' 05" West, 556.63 feet, along the Southeast line of said 30 foot access easement, being the Northwest line of said Lot 48, and continuing along the Northwest line of Lot 47, of said Lake Valley Estates Subdivision, Unit 30, Block 1, to a point marked by a 1/2 inch steel rod monument, found for the North corner of Lot 13 of said Lake Valley Estates Subdivision, Unit 1, Block 3, being the West corner of said Lot 47, said point being an angle point of this tract of land;

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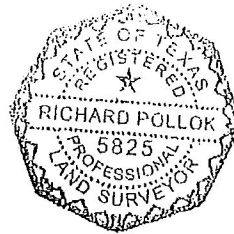
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Thence South 07° 34' 02" East, 32.56 feet, along the East line of said 30 foot access easement, being the West line of said Lakeview Circle, to the point of beginning;

The basis of bearing for this survey is Grid North, Texas State Plane Coordinate System, NAD 83 (2011), South Central Zone.

I, Richard Pollok, being a Registered Professional Land Surveyor, registered in the State of Texas, do hereby certify that the foregoing field notes for Lot 13, together with a 30 foot access easement, on the accompanying Plat of Survey prepared for SS WSC, dated February 14, 2022, were prepared from an actual survey done under my supervision and that to the best of my knowledge and belief they are a true and correct representation of said survey.

  
Richard Pollok R.P.L.S. 5825  
Rakowitz Engineering and Surveying  
515 W. Oaklawn Ste. A  
Pleasanton, Texas 78064  
830-281-4060



# PLAT OF SURVEY

LOT 13 OF THE LAKE VALLEY ESTATES SUBDIVISION, UNIT 1, BLOCK 3, TOGETHER WITH  
A 30 FOOT ACCESS EASEMENT, WILSON COUNTY, TEXAS

## ITEMS CORRESPONDING TO SCHEDULE B

PER TITLE COMMITMENT OF NO. 00185512, ISSUED JANUARY 09, 2002

1. EASEMENTS, RECORDED IN VOLUME 4, PAGE 41, PLAT RECORDS, WILSON COUNTY, TEXAS. THIS ITEM IS SHOWN.
2. DEEDS, RECORDED IN VOLUME 4, PAGE 118, PLAT RECORDS, WILSON COUNTY, TEXAS. THIS ITEM DOES NOT EFFECT THIS PROPERTY.

LOT 11

LAKE VALLEY ESTATES,  
UNIT 1, BLOCK 3,  
PAGE 41, PR

(N61° 59' 35"E 999.28')

(N60° 33' 15"E 998.48')

(N61° 59' 35"E 556.63')

(N61° 59' 35"E 557.03')

P.O.B.

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(N61° 59' 35"E 557.03')

THE BASIS OF BEARING  
ON THIS PLAT IS GRID  
NORTH, TEXAS STATE  
PLANE COORDINATE  
SYSTEM, NAD 83 (2011),  
SOUTH CENTRAL ZONE

1" = 100'

| LINE NUMBER | LENGTH | BEARING       |
|-------------|--------|---------------|
| L1          | 132.02 | N31° 25' 15"W |
| L2          | 30.26  | N22° 04' 16"W |
| L3          | 32.56  | S07° 34' 02"E |
| (L1)        | 132.96 | S07° 23' 21"E |
| (L2)        | 30.26  | S07° 23' 21"E |
| (L3)        | 32.56  | S08° 20' 46"E |

## LEGEND

- Set 5/8 inch steel rod monument with cap stamped Rakowitz Engineering & Surveying
- Found 1/2 inch steel rod monument

Boundary line

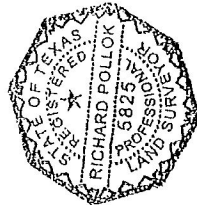
Adjoiner

Barbed wire fence

Overhead electric

Plat bearing and distance

Asphalt road



Prepared for:  
SS WSC

REFERENCES:

DEED: Volume 4 Page 41 PR  
Volume 1170 Page 721 OPR

THIS SURVEY WAS DONE WITH THE  
BENEFIT OF A TITLE COMMITMENT,  
VISIBLE ENCROACHMENTS ARE SHOWN

I, Richard Pollok, being a Registered  
Professional Land Surveyor, registered in  
the State of Texas, do hereby certify that  
this plat was prepared from an actual  
survey done by me or under my direct  
supervision, and that to the best of my  
knowledge and belief it is a true and  
correct representation of said survey.

**Rakowitz**  
ENGINEERING & SURVEYING  
TBBELS No. F-9155 & No. 101812-00  
515 WOODLAWN, SUITE A, PLEASANTON, TX 78054  
832.281.4680  
www.rak-eng.com

Date of survey: February 14, 2022  
Job No. 22-2607

State of Texas  
County of Wilson

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Thence South 59° 58' 45" West, 708.02 feet, along the Southeast line of said Lot 13, being the Northwest line of said Lot 36, and continuing along the Northwest line of Lot 35, and Lot 34, of said Valley Estates Subdivision, Unit 30, and the Northwest line of Lot 17, of said Lake Valley Estates Subdivision, Unit 1, Block 3, to a point marked by a 1/2 inch steel rod monument, found for the South corner of said Lot 13, being the West corner of said Lot 17, and lying on the East line of Lot 19, of said Valley Estates Subdivision, Unit 1, Block 3, said point being the South corner of this tract of land;

Thence North 20° 04' 26" East, 490.27 feet, along the West line of said Lot 13, being the East line of said Lot 19, to a point marked by 1/2 inch steel rod monument, found for a reentrant corner of said Lot 13, being a salient corner of said Lot 19, this point being a reentrant corner of this tract of land;

Thence North 21° 25' 16" West, 132.02 feet, along the West line of said Lot 13, being the East line of said Lot 19, to a point marked by a 1/2 inch steel rod monument, found for the West corner of said Lot 13, being the South corner of said 30 foot access easement, said point being the West corner of this tract of land;

Thence North 60° 35' 06" East, 433.60 feet, along the Northwest line of said Lot 13, being the Southeast line of said 30 foot access easement, to the point of beginning;

**Together with a 30 foot access easement**

A 30 foot access easement, being out of Lake Valley Estates Subdivision, Unit 1, Block 3, described in an instrument, recorded in Volume 4, Page 41, Plat Records, Wilson County, Texas, shown on the accompanying Plat of Survey prepared for SS WSC, dated February 14, 2022, said easement being more particularly described by metes and bounds as follows:

Beginning at a 1/2 inch steel rod monument, found for the lower East corner of said 30 foot access easement, being the North corner of Lot 48 of Lake Valley Estates Subdivision, Unit 30, Block 1, described in an instrument, recorded in Volume 5, Page 57, Plat Records, Wilson County, Texas, and lying on the West line of Lakeview Circle, said point of beginning being the East corner of this easement;

Thence South 60° 33' 05" West, 556.63 feet, along the Southeast line of said 30 foot access easement, being the Northwest line of said Lot 48, and continuing along the Northwest line of Lot 47, of said Lake Valley Estates Subdivision, Unit 30, Block 1, to a point marked by a 1/2 inch steel rod monument, found for the North corner of Lot 13 of said Lake Valley Estates Subdivision, Unit 1, Block 3, being the West corner of said Lot 47, said point being an angle point of this tract of land;

Thence South 60° 35' 06" West, 433.60 feet, along the Southeast line of said 30 foot access easement, being the Northwest line of said Lot 13, to a point marked by a 1/2 inch steel rod monument, found for the South corner of said 30 foot access easement, being the North corner of said Lot 13, and lying on the East line of Lot 19, of said Valley Estates Subdivision, Unit 1, Block 3, said point being the South corner of this easement;

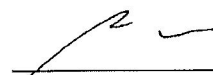
Thence North 22° 04' 16" West, 30.26 feet, along the West line of said 30 foot access easement, being the East line of said Lot 19, to a point marked by a 5/8 inch steel rod monument, with a cap stamped Rakowitz Engineering and Surveying, set for the West corner of said 30 foot access easement, being the Southwest corner of Lot 11, of said Valley Estates Subdivision, Unit 1, Block 3, said point being the West corner of this easement;

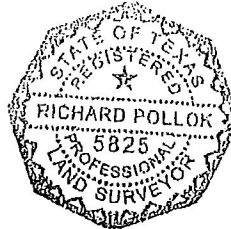
Thence North 60° 33' 15" East, 998.48 feet, along the Northwest line of said 30 foot access easement, being the Southeast line of said Lot 11, to a 1/2 inch steel rod monument, found for the North corner of said 30 foot access easement, being the East corner of said Lot 11, and lying on the West line of said Lakeview Circle, said point being the North corner of this easement;

Thence South 07° 34' 02" East, 32.56 feet, along the East line of said 30 foot access easement, being the West line of said Lakeview Circle, to the point of beginning;

The basis of bearing for this survey is Grid North, Texas State Plane Coordinate System, NAD 83 (2011), South Central Zone.

I, Richard Pollok, being a Registered Professional Land Surveyor, registered in the State of Texas, do hereby certify that the foregoing field notes for Lot 13, together with a 30 foot access easement, on the accompanying Plat of Survey prepared for SS WSC, dated February 14, 2022, were prepared from an actual survey done under my supervision and that to the best of my knowledge and belief they are a true and correct representation of said survey.

  
Richard Pollok R.P.L.S. 5825  
Rakowitz Engineering and Surveying  
515 W. Oaklawn Ste. A  
Pleasanton, Texas 78064  
830-281-4060



# PLAT OF SURVEY

OF  
LOT 13 OF THE LAKE VALLEY ESTATES SUBDIVISION, UNIT 1, BLOCK 3, TOGETHER WITH  
A 30 FOOT ACCESS EASEMENT, WILSON COUNTY, TEXAS

## ITEMS CORRESPONDING TO SCHEDULE B

PER TITLE COMMITMENT OF ML CHARTS, ISSUED JANUARY 28, 2022

- EASEMENTS, RECORDED IN VOLUME 4, PAGE 41, PLAT RECORDS, WILSON COUNTY, TEXAS. THIS ITEM IS SHOWN.
- DEDICATION AND CONVEYANCE OF ROADS, RECORDED IN VOLUME 880, PAGE 118, DEED RECORDS, WILSON COUNTY, TEXAS. THIS ITEM DOES NOT EFFECT THIS PROPERTY.

LAKE VALLEY ESTATES,  
UNIT 1, BLOCK 3,  
PAGE 41, PR

15' UTILITY  
EASEMENT ALL  
AROUND

LOT 19

LOT 13

LOT 36

LOT 46

LOT 47

LOT 48

LOT 34

LOT 17

LOT 35

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**STATE OF TEXAS,**  
**Plaintiff**

VS.

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**98<sup>th</sup> JUDICIAL DISTRICT**

1. The Water System and Utility is a public water system located in Wilson County Texas, approximately 5-miles southeast of La Vernia, Texas, operating under Certificate of Convenience Necessity (“CCN”) No. 12308 and Public Water System (“PWS”) No. 2470020. The Water System and Utility is owned by Las Palomas Water Services Company, LLC (d/b/a “Lake Valley Water Company, Inc.”), which serves approximately 235 customers in the following subdivisions: Quail Run, Las

Palomas Country Club, Lake Valley Estates, The Meadows at Quail Run, and Lake Valley Acres.

2. On February 20, 2018, Plaintiff, the State of Texas (the “State”), through the Office of the Attorney General, brought this enforcement action against Las Palomas Water Services Company, LLC (hereinafter “Defendant” or “Las Palomas”) and Texas Rain Holding Company, Inc. (Defendant’s water utility operator)<sup>1</sup> for violations of the rules and regulations of the Texas Commission on Environmental Quality (“TCEQ”) for public water supply systems operating in the State of Texas.
3. From the outset to the present, Defendant has never made an appearance nor attempted to intervene in this matter.
4. On October 30, 2018, the State filed its Application for a Receiver, which requested the Water System and Utility be placed into receivership, and, by order dated January 24, 2019, following a hearing at which Defendant and its operator did not appear, this Court: i) found the Defendant and its operator to have abandoned the Water System and Utility; ii) placed the Water System and Utility into receivership pursuant to Section 13.412(b)(2) of the Texas Water Code; and iii) appointed Donald G. Rauschuber as the Receiver. A copy of this Court’s Order Appointing Receiver is attached as **Exhibit A**.
5. Since that time and in addition to the other matters referenced herein, the Receiver and his attorney have addressed numerous operational, regulatory, financial, and legal issues, including, but not limited to the following:
  - a. participating in enforcement actions and two contempt proceedings against

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<sup>1</sup> The State’s claims against Texas Rain Holding Company, Inc. were ultimately resolved in *State of Texas v. Texas Rain Holding Company, Inc.*, Docket No. D-1-GN-20-002678, wherein the 345th District Court of Travis County granted an agreed judgment on July 17, 2020, awarding the State civil penalties of \$117,550.00 and attorney’s fees of \$32,000.00.

Defendant's operator;

- b. reviewing and evaluating records compelled to be produced by Defendant's operator and tracing the operator's deposits and withdrawals to establish misallocations of the Water System and Utility's funds, ultimately resulting in a significant fine levied against the operator by the State of Texas;
  - c. discovering and ultimately negotiating the dismissal of a court-ordered foreclosure sale of the Water System and Utility's real estate and water plant assets;
  - d. negotiating the resolution and settlement of multiple claims for unpaid property taxes;
  - e. initiating and prosecuting a rate case at the Public Utility Commission to increase rates to a level that would begin to address the immediate needs of the Water System and Utility;
  - f. addressing numerous State-issued notices of violation pending against the Water System and Utility and meetings with regulatory staff regarding the same;
  - g. evaluating and pursuing funding options to bring the Water System and Utility into regulatory compliance in the quickest and least expensive manner;
  - h. multiple interactions with state and local officials, including the County Judge and members of the Texas Legislature, regarding the foregoing matters and numerous other issues pertaining to the Water System and Utility and the Receivership; and
  - i. investigating and pursuing long-term water supply and management/ ownership solutions for the Water System and Utility; and
  - j. multiple negotiations with retail water utilities interested in purchasing the Water System and Utility, none of which were successful due to economic reasons and geographic service area limitations, except the negotiations resulting in transaction memorialized in this Report of Sale of the Assets.
6. On October 20, 2020, this Court entered an "Order Granting Motion to Amend Order Appointing Receiver" which amended the Court's initial order appointing the Receiver, dated January 24, 2019, by replacing the reference to the "Texas Commission on Environmental Quality" in paragraph 20(*l*) with the "Public Utility Commission of Texas." In all other respects, the January 24, 2019, Order Appointing Receiver remained unchanged.
7. On or about November 18, 2020, the Receiver entered into discussions with S. S.