

## WHN CONSULTING

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19 Morning Arbor Place  
The Woodlands, TX 77381

August 17, 2006

Ms. Sara Kyle, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

**Re: Petition of Cartwright Creek, L.L.C. for Exemption from Financial Security as required by the TRA's Proposed Wastewater Regulations. Docket 06-00062.**

Dear Chairman Kyle:

In Docket 06-00062, the Tennessee Regulatory Authority permitted Cartwright Creek, L.L.C., (the "Company") to invest \$300,000 in upgrades over a one-year period to the Grassland wastewater plant as an interim alternative to the agency's rules on financial security. On behalf of the Company, we would like to present you with our first monthly status report regarding the upgrades to the Grassland wastewater plant.

Attached is a copy of the June 2005 statement from the Company's escrow holder, First American Title Insurance Company. This statement shows the Company's initial deposit of \$240,000 along with interest earned for the month. An additional deposit of \$60,000 will appear on the August statement bringing to \$300,000 as the total funds deposited by the Company in escrow for plant upgrades.

The Company expects to award its first contract to deal with infiltration by the end of August for approximately \$100,000. We are expecting that this work will be completed by the end of September.

In addition, we are currently designing the specifications for the sludge system upgrade. We expect to award the contract for this upgrade in September for approximately \$250,000, with work to begin by October 1 and to be completed by December 31.

If you have any questions in regards to this status report, please contact me at 713-298-1760.

Sincerely,



William H. Novak

Attachment

**Bank of America**

Bank of America, N.A.  
P.O. Box 25118  
Tampa, FL 33622-5118

1.888.400.9009



Page 1 of 3  
Account Number: 0055 6638 1323  
EO P 0A Enclosures 0 23  
Statement Period  
06/06/06 through 06/30/06 0062877



00015959 01 MB 0.326 12 01904 001 SCM999 II

FIRST AMERICAN TITLE INS CO AS ESCROW  
AGT FOR CARTWRIGHT CREEK LLC  
315 DEADERICK ST STE 2055  
NASHVILLE TN 37238-2000

**Business Interest Maximizer Account****Account Summary Information**

Statement Period	06/06/06 through 06/30/06	Statement Beginning Balance	0.00
Number of Deposits/Credits	2	Amount of Deposits/Credits	240,522.74
Number of Withdrawals/Debits	0	Amount of Withdrawals/Debits	0.00
		Statement Ending Balance	240,522.74
Number of Enclosures	0	Average Collected Balance	240,020.90
Number of Days in Cycle	25	Average Ledger Balance	240,020.90
		Service Charge	0.00

**Interest Information**

Amount of Interest Paid	522.74	Interest Paid Year-to-Date	522.74
Annual Percentage Yield Earned		Withholding Year-to-Date	0.00
This Statement Period	3.23%		

**Deposits and Credits**

Date Posted	Amount	Description	Bank Reference
06/06	240,000.00	Funds Transfer Credit	945006060280020
		Fdes Nmd 0000028 Nbkuna2	
06/30	522.74	Interest Earned	

**Daily Ledger Balances**

Date	Balance	Date	Balance
06/06	240,000.00	06/30	240,522.74