

WHN CONSULTING

19 Morning Arbor Place
The Woodlands, TX 77381

September 21, 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 second monthly status report regarding the upgrades to the Grassland wastewater plant.

Attached is a copy of the August 2006 statement from the Company's escrow holder, First American Title Insurance Company ("First American"). This statement shows the Company's initial deposit of \$240,000 along with interest earned through August 31, 2006. Also attached is a copy of a deposit in transit of \$60,000 that was sent to First American on August 30, 2006, bringing to \$300,000 as the total funds deposited by the Company in escrow for plant upgrades.

The Company has now selected Insituform as its contractor to repair the infiltration of the sewer system. We expect Insituform to begin their work by October 1.

The detail design for the sludge system upgrade should be completed by the end of September. Once the design is completed, we expect to select a qualified contractor by the end of October with work to begin by mid-November.

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

Sincerely,



William H. Novak

Attachments

**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
EO P 0A Enclosures 0
Statement Period
08/01/06 through 08/31/06



00016086 01 MB 0.326 12 01904 001 SCM999

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	08/01/06 through 08/31/06	Statement Beginning Balance	241,196.86
Number of Deposits/Credits	1	Amount of Deposits/Credits	706.74
Number of Withdrawals/Debits	0	Amount of Withdrawals/Debits	0.00
		Statement Ending Balance	241,903.60
Number of Enclosures	0	Average Collected Balance	241,219.65
Number of Days in Cycle	31	Average Ledger Balance	241,219.65
		Service Charge	0.00

Interest Information

Amount of Interest Paid	706.74	Interest Paid Year-to-Date	1,903.60
Annual Percentage Yield Earned		Withholding Year-to-Date	0.00
This Statement Period	3.50%		

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
08/31	706.74	Interest Earned	

Daily Ledger Balances

Date	Balance	Date	Balance
08/01	241,196.86	08/31	241,903.60

7155

70-2543/719
0

SHEAFFER INTERNATIONAL, LLC

PH. 630-446-4080
800 ROOSEVELT ROAD STE B 214
GLEN ELLYN, IL 60137

8/30/2006

PAY TO THE
ORDER OF

First American Title Insurance

\$ **60,000.00

Sixty Thousand and 00/100

DOLLARS

First American Title Insurance
315 Deaderick Street, Ste 2055
Nashville, Tn 37238

Robert L. Cochran

Scott M. Davis

MEMO

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118023⑈

SHEAFFER INTERNATIONAL, LLC

7155

First American Title Insurance

8/30/2006

60,000.00

Cash LLC

60,000.00

SHEAFFER INTERNATIONAL, LLC

7155

First American Title Insurance

8/30/2006

60,000.00

Cash LLC

60,000.00

