

WHN CONSULTING

19 Morning Arbor Place
The Woodlands, TX 77381

November 28, 2006

Electronically filed 11/28/06 @ 3:11pm

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 monthly status report regarding the upgrades to the Grassland wastewater plant.

Attached is a copy of the October 2006 statement from the Company's escrow holder, First American Title Insurance Company ("First American"). This statement shows the Company's deposits of \$300,000 along with interest earned through October 31, 2006.

In regards to the plant upgrades, bid packages for the sludge system work were sent to contractors on October 27th. However, we are having difficulty finding qualified local contractors that want to bid this job. Of the six contracting firms contacted, only two were interested in placing a bid. The remaining four contracting firms stated that they were declining to submit a bid because of their high work load and the relative small size of the Grassland sludge system project. We expect to receive the bids from the two interested contracting firms by mid-December, and it is our intent to start the work as soon as the contractor is selected.

The work to line approximately 1,000 feet of sewer and line 5 manholes has now been completed. There has been a noticeable reduction in the flow, however, it will take a few months to estimate the total impact, as the flow varies from day to day, depending upon weather.

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



H4

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Account Number: 0055 6638 1323

EO P 0A Enclosures 0 23

Statement Period

10/01/06 through 10/31/06 0062441



00016091 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	10/01/06 through 10/31/06	Statement Beginning Balance	302,648.62
Number of Deposits/Credits	1	Amount of Deposits/Credits	835.39
Number of Withdrawals/Debits	0	Amount of Withdrawals/Debits	0.00
		Statement Ending Balance	303,484.01
Number of Enclosures	0	Average Collected Balance	302,675.56
Number of Days in Cycle	31	Average Ledger Balance	302,675.56
		Service Charge	0.00

Interest Information

Amount of Interest Paid	835.39	Interest Paid Year-to-Date	3,484.01
Annual Percentage Yield Earned This Statement Period	3.30%	Withholding Year-to-Date	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
10/31	835.39	Interest Earned	

Daily Ledger Balances

Date	Balance	Date	Balance
10/01	302,648.62	10/31	303,484.01