

WHN CONSULTING

19 Morning Arbor Place
The Woodlands, TX 77381

January 3, 2007

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

1/3/07 electronically filed @ 1:59pm

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 November 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 November 30, 2006. Payments of approximately \$60,000 from this account for repairs to the wastewater system will be reflected in the December statement.

In regards to the plant repairs, the work to line approximately 1,000 feet of sewer and line 5 manholes has now been completed as mentioned in last month's report.

In regards to the plant upgrades to the Sludge Treatment System, we have had the site resurveyed to create a topographic map with 2' contours so that the drainage and erosion control designs can be completed to the county requirements. The existing topographic map was over 20 years old and covered less than half of the site. We will submit the required permit to the county in mid January and expect their approval sometime in February.

As reported previously, we have had difficulty finding qualified local bidders that wanted to take on a smaller project due to their existing workloads. We presently have two bids. The lower bid (by approximately \$100,000) is from a contractor who is essentially part of an in-house group, and works extensively for the Company's principals in Illinois. Both the contractor and Sheaffer are investigating the possibility of obtaining the required Tennessee licenses for this Illinois contractor to work in Tennessee. However, it is apparent that the Tennessee contractor licensing approval process will take a number of months. If we take this path, which will be decided the first week in January, the license will be obtained in March, and construction can start in April.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "William H. Novak". The signature is fluid and cursive, with a prominent initial "W" and a long, sweeping underline.

William H. Novak

Attachment

**Bank of America**

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

1.888.400.9009

HH

Page 1 of 2
Account Number: 0055 6688 1323
EO P 0A Enclosures 0 23
Statement Period 11/01/06 through 11/30/06 0062085



00016239 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	11/01/06 through 11/30/06	Statement Beginning Balance	303,484.01
Number of Deposits/Credits	1	Amount of Deposits/Credits	810.68
Number of Withdrawals/Debits	0	Amount of Withdrawals/Debits	0.00
		Statement Ending Balance	304,294.69
Number of Enclosures	0	Average Collected Balance	303,511.03
Number of Days in Cycle	30	Average Ledger Balance	303,511.03
		Service Charge	0.00

Interest Information

Amount of Interest Paid	810.68	Interest Paid Year-to-Date	4,294.69
Annual Percentage Yield Earned This Statement Period	3.30%	Withholding Year-to-Date	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
11/30	810.68	Interest Earned	

Daily Ledger Balances

Date	Balance	Date	Balance
11/01	303,484.01	11/30	304,294.69

Message Center

Learn about card processing basics, how to switch your service, terminal processing solutions, obtaining online transaction reports anytime you want them, and more. Visit www.bankofamerica.com/merchantservices or call 1.877.837.9022 and reference promo code #142. Be sure to ask us about our Meet or Beat Offer.