

filed electronically in docket office on 07/31/07

July 31, 2007

VIA HAND DELIVERY

Mr. Eddie Roberson, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Petition of Cartwright Creek, LLC to amend its existing Certificate of Convenience & Necessity to provide service to the Stillwater Development in Williamson County

Dear Chairman Roberson:

Cartwright Creek, LLC files the attached Petition to amend its existing Certificate of Public Convenience and Necessity in order to provide service to the Stillwater Development in Williamson County, Tennessee. I have enclosed our check in the amount of \$25.00 to cover the filing fee.

Please contact me if you should have any questions.

Sincerely,

Bruce Meyer
Vice President-Operations
Cartwright Creek, LLC

Enclosures

Cc: William H. Novak

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE:

**PETITION OF CARTWRIGHT CREEK, LLC)
TO AMEND ITS EXISTING CERTIFICATE)
OF CONVENIENCE AND NECESSITY IN)
ORDER TO PROVIDE SERVICE TO THE)
STILLWATER DEVELOPMENT IN)
WILLIAMSON COUNTY)**

DOCKET NO. _____

**PETITION TO AMEND
CERTIFICATE OF CONVENIENCE AND NECESSITY**

The Petitioner, Cartwright Creek, LLC (Cartwright Creek or Company), hereby petitions the Tennessee Regulatory Authority (Authority) to amend its Certificate of Public Convenience and Necessity (CCN) to expand its service area to include a portion of Williamson County, Tennessee known as the Stillwater Development (Stillwater). In support of its Petition, Cartwright Creek submits the following:

1. Stillwater is in the process of obtaining site plan approval in Williamson County. A copy of the proposed service area is attached as Exhibit #1;
2. The respective governmental entities of Williamson County have confirmed that they have no intent to own, operate, or provide wastewater treatment services to this area as shown on collective Exhibit #2;
3. Cartwright Creek has a \$240,000 Letter of Credit on file with the Authority. A copy of Cartwright Creek's Letter of Credit is attached as Exhibit #3;
4. Cartwright Creek has a binding letter of intent with the developer of Stillwater, in which Cartwright Creek becomes the owner and operator of the

wastewater treatment system for Stillwater upon completion and construction of the system. A copy of the Letter of Intent is attached as Exhibit #4;

5. Cartwright Creek will separately petition the Tennessee Department of Environment and Conservation (TDEC) for a State Operating Permit for the installation of a regional wastewater system with the capability to serve Stillwater and other area developments;
6. A five year pro forma income statement for Stillwater is attached as Exhibit #5;
7. Pre-filed testimony of Bruce Meyer, President of Cartwright Creek, is attached as Exhibit #6.

WHEREFORE, PETITIONER PRAYS:

1. That the Authority grant its Petition to amend its Certificate of Public Convenience and Necessity to expand its service area to include a portion of Williamson County, Tennessee known as the Stillwater Development;
2. That this matter be set for hearing;
3. For such other relief as the Company may be entitled to.

Respectfully submitted, this 31st day of July, 2007.

Bruce Meyer, Vice President-Operations
Cartwright Creek, LLC
1551 Thompson's Station Road West
Thompson's Station, TN 37179
Telephone: 615-261-8600
Email: bmeyer@sheafferinternational.com

List of Exhibits

<u>Name</u>	<u>Exhibit</u>
Proposed Service Area	1
Utility Service Letters	2
Letter of Credit	3
Utility Services Agreement	4
Pro Forma Financial Statements	5
Pre-Filed Testimony	6

EXHIBIT 1

PROPOSED SERVICE AREA

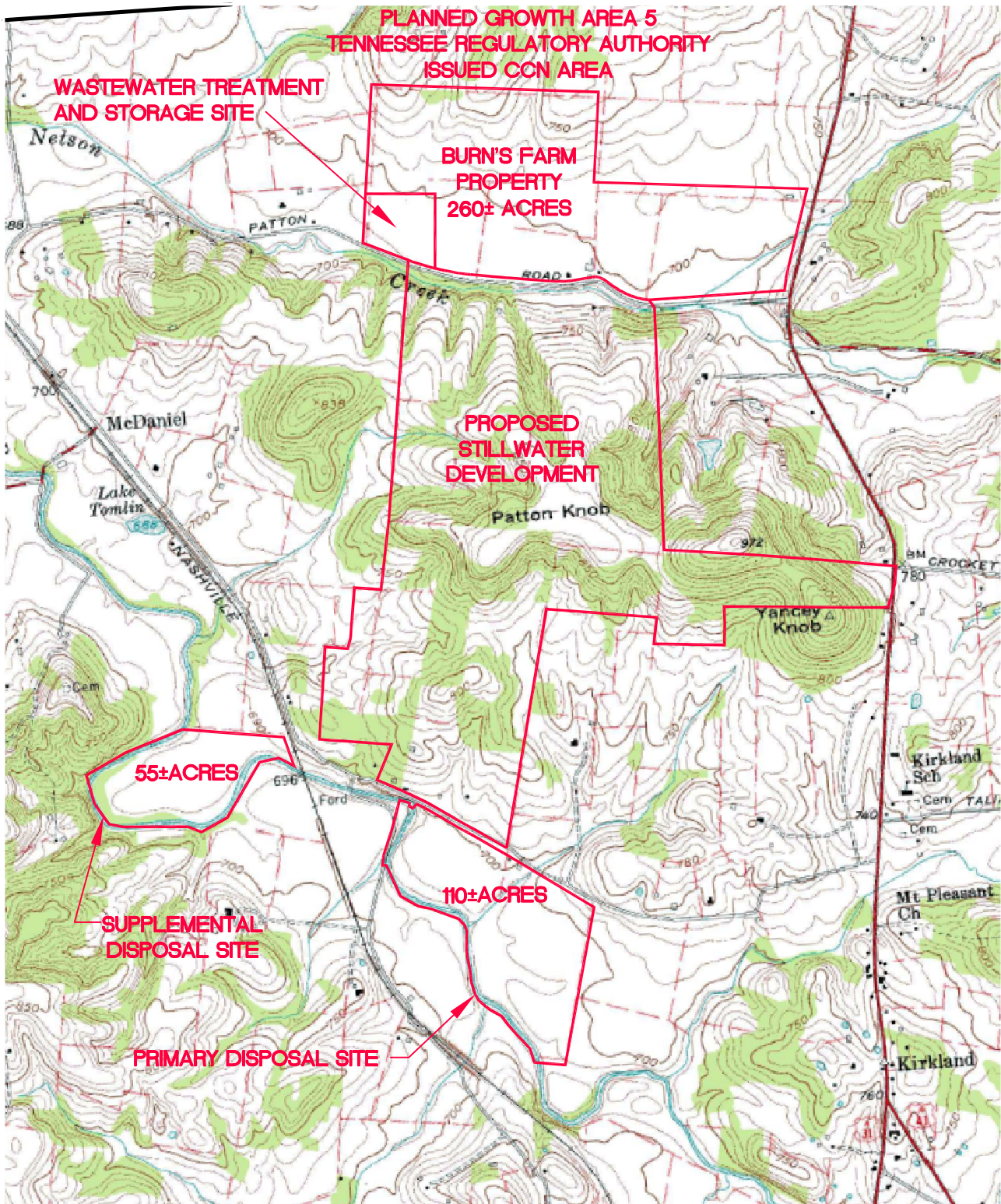


FIGURE 1: SITE LOCATION MAP
 STILLWATER
 WILLIAMSON COUNTY
 TENNESSEE
 PREPARED FOR:
EAGLE RIDGE INVESTMENTS, L.L.C.

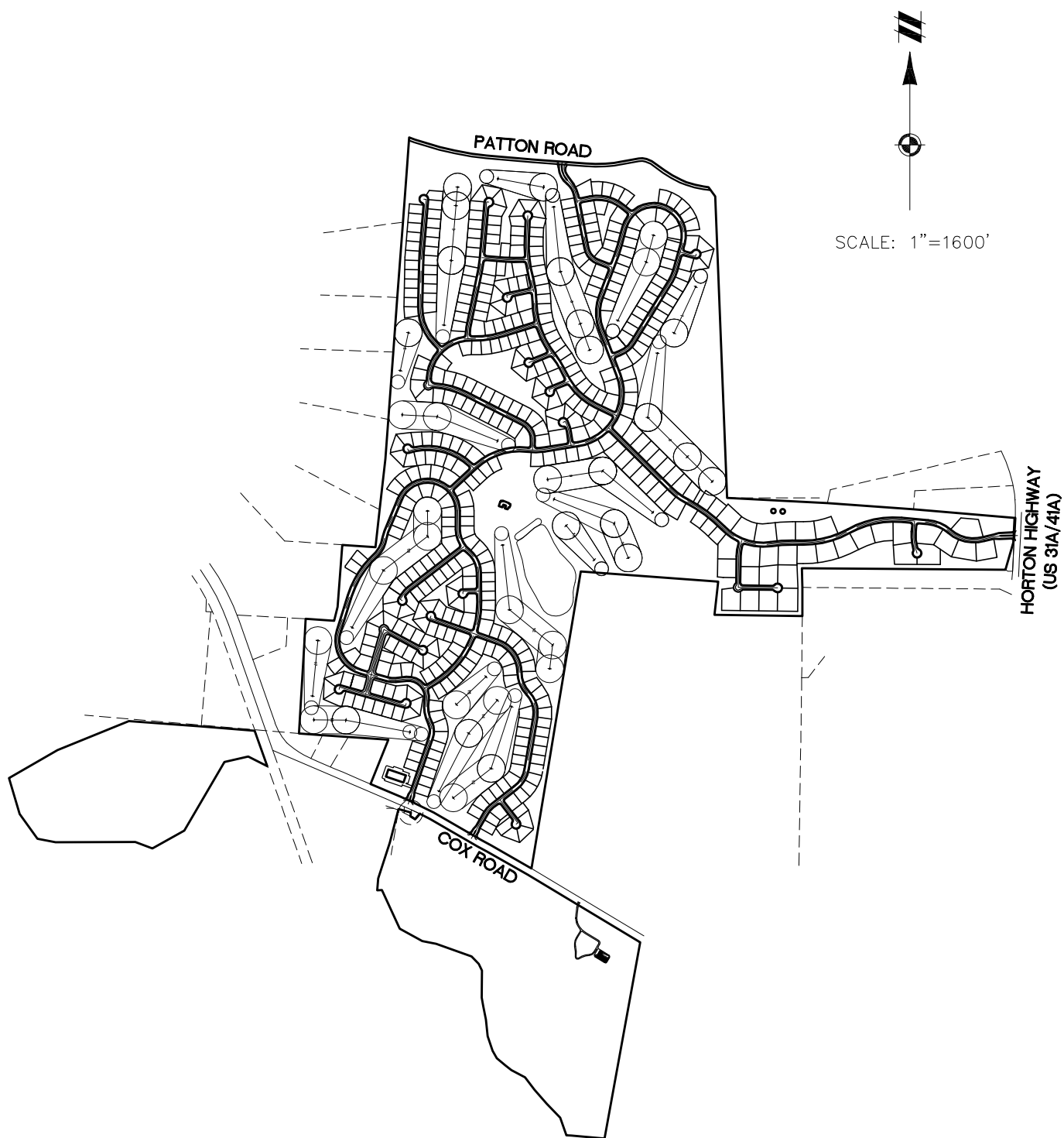
PROJECT: 06001081
 DATE: MAY 1, 2007
 DRAWN: cjb
 CHECKED: jm
 CAD FILE: 06001081EV-01

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OVERALL SITE LAYOUT
PROJECT NO.: 06001081
DATE: JUNE 13, 2007

DR: cjb
CAD FILE: 06001081PN-05



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EXHIBIT 2

UTILITY SERVICE LETTERS



N Nolensville/College Grove Utility District
C P.O. Box 127, 2000 Johnson Industrial Blvd., Nolensville, TN 37135
G Phone No. 615-776-2511 - Fax No. 615-776-2591

July 27, 2007

Mr. Bruce Meyer
Cartwright Creek, LLC
1551 Thompson's Station Road West
P.O. Box 147
Thompson's Station, TN 37179

Re: Sewer Provider – In N/CG Utility District

Dear Mr. Meyer:

N/CG Utility District is not interested in providing sewer service to the Stillwater Development.

Please feel free to call me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Charles Strasser". The signature is written in a cursive, flowing style.

Charles Strasser
General Manager

EXHIBIT 3

LETTER OF CREDIT



211 Commerce Street • Suite 300 • Nashville, TN 37201 • (615) 744-3700

**IRREVOCABLE STANDBY LETTER OF CREDIT
(AUTO-RENEWAL)**

Irrevocable Standby Letter of Credit Number: 600051000

Transaction Date: June 25, 2007

Beneficiary:

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Applicant:

Cartwright Creek, LLC
C/O Sheaffer International LLC,
Manager
800 Roosevelt Road, Suite B-214
Glen Ellyn, IL 60137

At the request of Cartwright Creek, LLC, C/O Sheaffer International LLC, Manager, we, "Pinnacle National Bank", hereby issue our irrevocable standby Letter of Credit number 600051000.

This credit expires on: July 1, 2008.

This credit is for an aggregate amount not to exceed a total of \$240,000.00 United States Dollars.

This amount is available by the Beneficiary's draft(s) at sight drawn on Pinnacle National Bank and accompanied by an affidavit by or on behalf of the Beneficiary containing the following statement, appropriately completed:

"The sum of \$240,000.00 United States Dollars is due and owing to Tennessee Regulatory Authority by Cartwright Creek, LLC, C/O Sheaffer International LLC, Manager."

Partial drawings are permitted under this Letter of Credit.

This Letter of Credit shall renew automatically for additional one-year periods from the present or any future expiration date unless 60 (*sixty*) days prior to such date, we shall notify you in writing by certified mail that we elect not to renew this letter of credit for such additional period. Upon receipt by you of such notice, you have the right to draw against the amount remaining under this letter of credit by presentation of your clean sight draft.

We hereby agree that all drafts drawn under and in compliance with the terms of this credit will be duly honored on delivery of documents as specified if presented at our counters on or before the expiration indicated above.

Drafts drawn under this credit must be endorsed, must contain the clause "Drawn under Pinnacle National Bank Letter of Credit No. 600051000, dated, June 25, 2007" and must be accompanied by the documents specified in this credit and the original of this credit.

All documents to be presented to Pinnacle National Bank, 211 Commerce Street, Suite 300, Attention Letter of Credit Department, Nashville, TN 37201.

Except so far as otherwise expressly stated, this credit is subject to the Uniform Customs & Practice for Documentary Credits, 1993 Revision, International Chamber of Commerce Publication No. 500.



Keri McInnis
Pinnacle National Bank

EXHIBIT 4

REQUEST FOR UTILITY SERVICE

EAGLE RIDGE INVESTMENTS, LLC

25701 LAKESHORE BOULEVARD, SUITE 101

EUCLID, OH, 44132

PHONE: (440) 821-9182

FAX: (440) 716-9619

June 13, 2007

Bruce Meyer
Cartwright Creek, LLC
1551 Thompson's Station Road, West
P.O. Box 147
Thompson's Station, TN 37179

***Stillwater Sanitary Sewer Service Request
Williamson County, Tennessee***

Dear Mr. Meyer,

Please allow this letter to serve as our formal request to have Cartwright Creek, LLC act and serve as the sanitary sewer service provider for the proposed Stillwater residential development in Arrington, Tennessee, located on Patton and Cox Roads, just west of Horton Highway.

If any additional information is required for you to complete this request, please do not hesitate to call me at 440-821-9182, or Matt Bryant of Atwell-Hicks at 440-552-7721.

Sincerely,
Eagle Ridge Investments, LLC


A handwritten signature in blue ink, appearing to read 'DJK', is written over the printed name of the signatory.

D.J. Keenan, Managing Member

Binding Letter of Intent

1. It is the party's intent, (Stillwater Development and the Burns Family) that a Sheaffer System be located on the Burns Property to initially serve the Stillwater Development of 500 units with a capacity of approximately 150,000 gallons/day. The Sheaffer System to be designed to allow future expansion to serve the Burns Development and other properties in the region, with a future capacity of at least 330,000 gallon per day, based on 300 gallons per EDU.
2. Sheaffer International will contract with Cartwright Creek, LLC to prepare and submit to TRA an amendment to its existing CCN, (Certificate of Convenience and Necessity) for PGA5 to reflect the Stillwater Development inclusion into PGA5. The treatment system will be as described in item 1 above.
3. Stillwater Development & Burns Family mutually agree that the Sheaffer System title, once installed, the land it occupies, and the primary and all secondary irrigation area will be transferred to Cartwright Creek, LLC to own and operate at a mutually agreed upon point in time.
4. Stillwater Development shall have Atwell-Hicks to amend its prior Williamson County submittal of the detailed design report, (DDR) and the detailed soils investigation report, (DSIR) to reflect the inclusion of a Sheaffer System to be located on the Burns property.
5. Stillwater Development shall retain Sheaffer International, LLC to complete the preliminary engineering and design parameters.
6. Payments to proceed:
 - A. \$5000.00 down payment payable to Sheaffer International for preliminary engineering and design parameters
 - B. \$5,000.00 payable to Sheaffer International for the required work and submittal of CCN to the TRA. To be invoiced once submittal is ready for TRA
 - C. In accordance with the established TRA regulations, a \$20,000 upon request from the TRA shall be deposited in a Certificate of Deposit at Pinnacle Bank to be held as collateral for the required TRA financial security.

By: 
Stillwater Development

Title: 

Print Name: J. J. KEENAN

Dated: 7.30.07

**BURNS FAMILY
PATTON ROAD
ARRINGTON, TN**

June 26, 2007

Bruce Meyer
Cartwright Creek, LLC
1551 Thompson's Station Road, West
P.O. Box 147
Thompson's Station, TN 37179

Regionalized Sanitary Sewer System in PGA 5

Dear Mr. Meyer,

Please allow this letter to serve as our commitment to work with Cartwright Creek, LLC in providing a regionalized sanitary sewer service that could service our property as well as the proposed Stillwater residential development in Arrington, Tennessee, located on Patton and Cox Roads, just west of Horton Highway.

Sincerely,



Sue Burns
Member



EXHIBIT 5

PRO FORMA FINANCIAL STATEMENTS

Cartwright Creek, LLC
Stillwater
Six Year Pro Forma Income Statement

	Annual Cost Fully Built	2008		2009		2010		2011		2012		2013	
		% Fully Built Cost	Amount	% Fully Built Cost	Amount	% Fully Built Cost	Amount	% Fully Built Cost	Amount	% Fully Built Cost	Amount	% Fully Built Cost	Amount
Operating Revenues:													
Customers Added			35		75		100		100		100		85
Cumulative Customers			35		110		210		310		410		495
Tariff Rate			\$34.82		\$34.82		\$34.82		\$34.82		\$34.82		\$34.82
Operating Revenue			\$14,624		\$45,962		\$87,746		\$129,530		\$171,314		\$206,831
Operating Expenses:													
Operating Labor	\$27,040	25%	\$6,760	50%	\$13,520	75%	\$20,280	75%	\$20,280	100%	\$27,040	100%	\$27,040
Administrative Labor	9,600	25%	2,400	50%	4,800	75%	7,200	75%	7,200	100%	9,600	100%	9,600
Sampling and Testing Costs	9,600	25%	2,400	50%	4,800	100%	9,600	100%	9,600	100%	9,600	100%	9,600
Preventative maintenance	1,800	25%	450	50%	900	50%	900	75%	1,350	80%	1,440	100%	1,800
Grounds keeping, mowing, cover crop maintenance	12,000	25%	3,000	50%	6,000	75%	9,000	100%	12,000	100%	12,000	100%	12,000
Electric Power	39,420	25%	9,855	25%	9,855	50%	19,710	75%	29,565	80%	31,536	100%	39,420
Other Utility bills (water, telephone, internet)	1,200	50%	600	75%	900	75%	900	75%	900	90%	1,080	100%	1,200
Insurance	7,778	100%	7,778	100%	7,778	100%	7,778	100%	7,778	100%	7,778	100%	7,778
Taxes	15,000	100%	15,000	100%	15,000	100%	15,000	100%	15,000	100%	15,000	100%	15,000
Permit and other fees required by regulatory agencies	1,000	100%	1,000	100%	1,000	100%	1,000	100%	1,000	100%	1,000	100%	1,000
Customer billing and accounting costs	15,000	10%	1,500	25%	3,750	50%	7,500	75%	11,250	80%	12,000	100%	15,000
Misc. supplies, paper, consumables	1,000	10%	100	25%	250	50%	500	75%	750	80%	800	100%	1,000
Operating Expenses	\$140,438		\$50,843		\$68,553		\$99,368		\$116,673		\$128,874		\$140,438
Operating Income (Loss)			-\$36,218		-\$22,590		-\$11,621		\$12,858		\$42,441		\$66,393

EXHIBIT 6

PRE-FILED TESTIMONY

1 **Q. Would you state your name for the record, please?**

2 A. My name is Bruce Meyer.

3 **Q. By whom are you employed, Mr. Meyer and what is your position?**

4 A. I am employed by Cartwright Creek as the Vice President of Operations.

5 **Q. Please briefly describe your education and experience background.**

6 A. I have a Bachelor's Degree in Air and Water Resource Engineering from the
7 University of Illinois at Chicago and a Masters Degree in Environmental
8 Engineering from the Illinois Institute of Technology in Chicago. I hold
9 Professional Engineering Licenses in eight states, including Tennessee. In
10 addition, I have a Biological/Natural Systems wastewater operators license and a
11 Grade II Wastewater Collecting System license in the State of Tennessee. I have
12 over 30 years of experience in design, construction, and operation of wastewater
13 treatment, pollution control, hazardous waste management, and recycling/reuse
14 facilities.

15 **Q. Who are the owners of Cartwright Creek, and what are their addresses.**

16 A. The majority interest (90%) of Cartwright Creek is owned by Sheaffer
17 International, LLC. Their address is 800 Roosevelt Road, Suite 214B, Glen
18 Ellyn, IL, 60137. A minority interest (10%) of Cartwright Creek is retained by
19 the previous owners of the system.

20 **Q. Please describe the area known as Stillwater that Cartwright Creek proposes**
21 **to service.**

22 A. Stillwater is located south of the Triune area in Williamson County, near the
23 intersection of Horton Highway and Patton Road. This property is owned and being
24 developed by Eagle Ridge Investments, LLC (the "Developer"). The current site plan is
25 composed of approximately 500 single family lots surrounding an 18 golf course and
26 clubhouse facility.

27 **Q. Does a need presently exist for a wastewater provider at Stillwater?**

1 A. Yes. As mentioned in our Petition, Stillwater is presently without a wastewater
2 provider. Neither Williamson County nor any of the local utility districts or
3 municipalities intend to provide wastewater service to this area. As a result, the
4 only wastewater alternative for Stillwater, apart from Cartwright Creek, would be
5 individual septic tanks which would be harmful to the environment in this area.

6 **Q. Mr. Meyer, what is the purpose of your testimony in this case?**

7 A. The purpose of my testimony is to present information to the TRA on the
8 managerial, financial, and technical capabilities of Cartwright Creek to provide
9 service to Stillwater.

10 **Q. What type of wastewater system will Cartwright Creek be operating at**
11 **Stillwater.**

12 A. Cartwright Creek will be operating a Sheaffer Wastewater Reclamation and
13 Reuse facility that will be constructed on property within the PGA 5 and will
14 serve the Stillwater Development as well as other properties in the region. The
15 Sheaffer System will treat the wastewater to a high quality utilizing a patented, ,
16 highly aerated, deep treatment cells. After filtration and disinfection, the
17 reclaimed water will be land applied. While dedicated and permitted irrigation
18 area will be provided within the Stillwater Development, it is Cartwright Creek's
19 and the Developer's intent to reuse most, if not all, of the reclaimed water for
20 irrigation of the Stillwater golf course.

21 **Q. Didn't Cartwright Creek already receive authority from the TRA to provide**
22 **service to the area designated as Planned Growth Area (PGA) 5 in**
23 **Williamson County? If so, why is the Company submitting this Petition for**
24 **an amendment to its existing CCN?**

25 A. Yes. Cartwright Creek received authority from the TRA to provide service to
26 PGA 5 on July 12, 2005 in Docket 04-00358. However, while the regional
27 wastewater treatment plant that the Company plans to build will be entirely within

1 PGA 5, the first customer for this facility, the Stillwater development, lies just
2 outside the boundary of PGA 5. This Petition was necessary in order for us to
3 install the collection lines from Stillwater to the regional wastewater treatment
4 plant in PGA 5.

5 **Q. Mr. Meyer, does Cartwright Creek possess the managerial capabilities to**
6 **operate a wastewater utility?**

7 A. Yes. Cartwright Creek, along with its outside consultants and contractors, has the
8 managerial capability to provide wastewater utility services. Cartwright Creek's
9 parent company as well as myself have successfully managed other wastewater
10 utilities. In addition, Cartwright Creek has contracted with WHN Consulting to
11 provide it with the regulatory and accounting expertise that it will need to carry out its
12 managerial duties.

13 **Q. Mr. Meyer, please describe the financial capabilities of Cartwright Creek.**

14 A. Through its owners, Cartwright Creek possesses the financial capability to
15 provide wastewater utility service. Naturally, without proper financial capability,
16 the wastewater infrastructure couldn't be built in the first place. However,
17 Cartwright Creek has also secured a letter of credit to assure the continued
18 performance of wastewater service.

19 **Q. Mr. Meyer, please describe the technical capabilities of Cartwright Creek.**

20 A. Cartwright Creek, along with its outside consultants and contractors, has the
21 technical capability to provide wastewater utility services. I currently hold the
22 operation licenses required for both the wastewater treatment and collection
23 systems. In addition, it is our intent to hire an additional wastewater operator for
24 the above-described wastewater reclamation and reuse system at Stillwater.

25 **Q. Does this conclude your testimony?**

26 A. Yes, it does.

AFFIDAVIT OF BRUCE MEYER

Bruce Meyer, being duly sworn, deposes and says that he is the same Bruce Meyer referred to in the pre-filed testimony on behalf of Cartwright Creek, LLC before the Tennessee Regulatory Authority; that he has read such testimony and is familiar with its contents; and that the contents of that testimony are true, correct, accurate and complete to the best of his knowledge, information and belief.

Bruce Meyer

Subscribed and sworn to me before this 31st day of July 2007.

My commission expires: _____