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November 15, 2011

T.R.A. DOCKET ROOM

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

Attention: Sharla Dillon

Re: Petition of Berry's Chapel Utility, Inc. To Change and Increase Rates and
Charges
Docket No.: 11-00198

Dear Chairman Hill:

Enclosed please find the original and thirteen copies of a petition to increase rates filed on behalf of Berry's Chapel Utility, Inc. (the Company), pursuant to T.C.A. § 65-5-103. I am simultaneously filing certain tariffs for the Company, which are explained and discussed in the petition and which have an issue date of November 15, 2011, and an effective date of December 14, 2011.

I am enclosing the original and thirteen copies of the pre-filed testimony and exhibits of Scott Davis, Tyler Ring, and James B. Ford who will testify on behalf of the Company.

Also enclosed is our check in the amount of \$25.00, payable to the Tennessee Regulatory Authority for the filing fee.

Please return one copy of the Petition and sworn testimony and exhibits, which I would appreciate your stamping "filed," and returning to me.

Sincerely,

BRADLEY ARANT BOULT CUMMINGS LLP

By:


Henry Walker

HW/lh
Enclosures

7/2737961.1

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

**IN RE: PETITION OF BERRY'S CHAPEL)
UTILITY, INC. TO CHANGE AND)
INCREASE RATES AND CHARGES)**

DOCKET NO. _____

PETITION

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T.R.A. DOCKET ROOM**

Petitioner, Berry's Chapel Utility, Inc. ("Berry's Chapel" or "the Company"), a Tennessee corporation authorized to conduct business in the State of Tennessee, does hereby file with the Tennessee Regulatory Authority (Authority) this Petition and a revised tariff to become effective thirty (30) days after the date of issue and requests that the Authority, pursuant to T.C.A. § 65-5-101, *et seq.*, hear and determine that the increased rates as reflected in the revised tariff are just and reasonable. In support of this request, The Company avers:

1. Berry's Chapel is subject to the regulation of this Authority pursuant to Chapter 430 of the Public Acts of 2011. The Company currently serves customers located in the Cottonwood Subdivision, Legends Ridge Subdivision, River Landings Subdivision, a few residences near these subdivisions and two non-residential customers.

2. The Company's existing rates and charges do not provide it sufficient revenue to cover all of the costs it incurs in providing adequate sewer service to its customers, including its cost of capital. The Authority approved the Company's existing rates and charges by Order dated November 3, 2009. The Company's rates and charges must be revised to permit it to meet its operating expenses, to earn a fair rate of return, and to provide funds to maintain its sewer plant and facilities to serve existing and future customers.

3. The Company has selected as the test year the twelve months ended August 31, 2011, and has adjusted the test year for known and anticipated changes for the attrition year. As laid out in Schedule A by James B. Ford with his testimony, the Company has a deficiency of \$260,585. This revenue deficiency does not include the revenue necessary for the Company to cover its deferred odor elimination costs which the Company recovers through the sewer service surcharge approved in Docket No. 08-00060.

4. The Company has filed simultaneously with this Petition a revised tariff effective December 14, 2011, designed to produce the additional gross revenues needed of \$398,853. The Company proposes to increase its usage rate for customers by 16.6%.

5. The Company avers the proposed rate changes are necessary and proper and are designed to meet the present and future needs of its customers and future customers in its service area in an economically feasible manner. The Company's tariff as filed and the overall rate of return it has requested are fair and reasonable and in the best interests of the Company and the customers it services. Therefore, the tariff as filed should be approved.

WHEREFORE, the Company requests the Authority to:


1. Schedule a hearing upon proper notice for the presentation of evidence as to the rates necessary to provide adequate sewer service to its customers and a fair rate of return to the Company.

2. Enter an Order approving the Company's revised schedule of rates to become effective on December 14, 2011, or as soon as lawfully permitted.

3. Grant such other and additional relief as may be required in light of the evidence to be produced at the hearing.

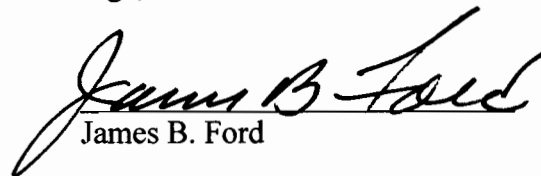
This the 15th day of November, 2011.

Respectfully submitted,

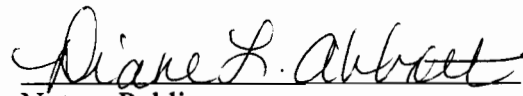

Henry Walker
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(615) 252-2363

State of Tennessee)
)
County of Williamson)

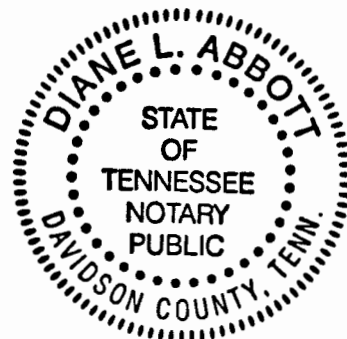
I, James B. Ford, make oath that I am the Secretary Treasurer of Berry's Chapel Utility, Inc., the Petitioner herein; that I have read the foregoing Petition and contents thereof, and that the contents thereof are true to the best of my knowledge, information, and belief.


James B. Ford

Sworn to and subscribed before me this 14th day of November, 2011.


Notary Public

My Commission Expires: 9/8/13



My Commission Expires SEPT. 8, 2013

BERRY'S CHAPEL UTILITY, INC.

MONTHLY SEWER SERVICE BILLING

RESIDENTIAL, CONDOMINIUM, HOUSE OR APARTMENT

Charge per 1,000 gallons	
(Actual or Assumed Flow).....	\$9.90
Minimum Monthly Charge.....	\$25.00
Base Service Charge.....	\$30.00

NON-RESIDENTIAL

Charge per 1,000 gallons	
(Actual or Assumed Flow).....	\$11.89
Minimum Monthly Charge.....	\$40.00
Base Service Charge.....	\$40.00

TAP FEES

RESIDENTIAL.....\$3,500.00

NON-RESIDENTIAL

Charge per gallon per day
(Computed by multiplying the peak monthly
Usage during the first year by 12 divided
By 365 days.).....\$7.86

SEWER CONNECTION FEES

RESIDENTIAL OR NON-RESIDENTIAL.....\$250.00

GENERAL FEES

Returned Check Charge.....\$30.00

Issue Date: November 15, 2011

Effective Date: December 14, 2011

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, TN

RE:

PETITION OF BERRY'S CHAPEL)

UTILITY INC. TO CHANGE AND)

INCREASE RATES AND CHARGES)

DOCKET NO. _____

**DIRECT TESTIMONY OF
TYLER RING, PRESIDENT
BERRY'S CHAPEL UTILITY INC.**

Dated: SEPTEMBER 2011

1 **Q. Please state your name for the record.**

2 A. My name is Tyler Ring.

3 **Q. What is your position with Berry's Chapel Utility, Inc. (BCUI)?**

4 A. I am the President of BCUI.

5 **Q. How long have you been President of BCUI or its former Lynwood Utility Corporation?**

6 A. I have been President since January 1st, 2003.

7 **Q. Did you ever own Lynwood Utility Corporation?**

8 A. Yes, I owned 25% of Lynwood beginning in May of 2002 and I became a 50% owner on

9 January 1st, 2003. Lynwood Utility Corporation was sold to BCUI on September 1st, 2010.

10 **Q. What duties do you perform as the President of BCUI?**

11 A. I oversee all administrative and operation procedures as well as but not limited to financial
12 directions, personnel, regulatory both Tennessee Regulatory (TRA) and Tennessee Department of
13 Environment and Conservation (TDEC), engineering, and plant upgrades.

14 **Q. What was the purpose of your original involvement of this Sewer Treatment Plant (STP)?**

15 A. My original involvement with acquiring the Lynwood STP was intended to bring the STP into
16 compliance with its National Pollutant Discharge Elimination System (NPDES) Permit. I had been
17 involved in the previous two upgrades to the plant in 1998 and 2000. Administrative and Operational
18 changes appeared to be the largest obstacle in bringing the plant into compliance.

19 **Q. Were the operational and administrative problems the lone issues to bring the STP into**
20 **compliance after your ownership began?**

21 A. No, while most of the environmental compliance was addressed in the days following my ownership,
22 we would come to learn that some substantial advance treatment processes would be required by
23 TDEC. The STP's receiving system (Harpeth River) had been listed by the Environmental Protection
24 Agency (EPA) as an impaired 303D stream. This would require more stringent testing and discharging

25 analysis as well as tighter standards. The advanced treatment process was installed in 2003 and 2004 at
26 an approximate cost of \$750,000.

27 **Q. Did you file rate cases to address the substantial change in cost of service as well as plant**
28 **capitalization?**

29 A. Yes, we filed rate cases in both 2006 and 2008.

30 **Q. Did the rate cases from 2006 and 2008 cover the cost of service?**

31 A. No, we asked for \$ 177,000 in 2006 and received \$ 66,000 a shortfall of \$ 111,000. We also received
32 \$ 126,000 in 2008 after requesting \$ 185,000 a shortfall of \$ 59,000.

33 **Q. Has the Corporation ran at a deficit every year since 2002?**

34 A. Yes, a total of \$1,200,000 in losses.

35 **Q. How were you able to fund the operation at a deficit?**

36 A. We have personally supported the loss every year. Along with our funding we obtained a short term
37 loan for \$200,000 in 2006, those funds were used to cover the deficit and that loan was moved to long
38 term debt in the 2008. An additional \$250,000 short term loans was obtained in the 2008 and was being
39 used to cover the deficit. Both of these loans required a personal guarantee of the owners. The flood of
40 May 2010 capped that short term loan and created additional funding requirements in order to get the
41 plant operational as soon as possible.

42 **Q. How did the flood of May 2010 affect the plant?**

43 A. In May 2010, the Harpeth River flooded the entire STP complex causing great damage. While we
44 were insured under the National Flood Insurance Program (NFIP) we received very little funds from that
45 claim. We hired National Fire Adjusters to represent us on our claim but were ultimately denied any
46 additional funds. We used every financial tool possible to rebuild the damaged portions of the STP
47 including maximizing our short term line of credit as well as using other companies to assist us that have
48 yet to be repaid. With a massive effort, the plant became operational the day after the flood and was

49 fully functional within 48 hours of the flood. Most of the damage to the plant will continue to increase
50 maintenance in the future.

51 **Q. Did you apply for a Small Business Administration (SBA) loan from the Federal Government?**

52 A. Yes we did.

53 **Q. What was the outcome of the loan process?**

54 A. We were instructed that the SBA would NOT loan money to an entity that had no viable forecasted
55 ability to repay the loan.

56 **Q. What have been and are the largest cost of service issues facing the plant today?**

57 A. Additional staff including administrative, operational, and technical personnel including but not
58 limited to office personnel, laboratory technician, maintenance supervision, collection system operator
59 and a plant operator. Also needed is financial consulting and legal counsel for both the regulatory and
60 environmental issues. Substantial STP upgrades will need to be implemented as well as forecasted for.
61 The increased cost of all services and chemicals must be addressed.

62 **Q. Has BCUI made any plant upgrades since the 2008 rate case?**

63 A. Yes, we have installed a new laboratory including a large amount of new testing equipment as well as
64 spent extensive time educating our current laboratory technician in order to comply with TDEC
65 requirements.

66 **Q. Has BCUI added any personnel since the last rate case?**

67 A. Yes, we have added a laboratory technician, maintenance supervisor, part time collection system
68 operator, and added substantial hours to our office manager.

69 **Q. Could you give a brief description of each of the positions at BCUI?**

70 A. Yes.

71 i. The operator is in charge of all operational decisions with the regard to the biological
72 health and activity of the STP. He also prepares the Monthly Operational Report as well

as the Discharge Monitoring Report. He partially manages the maintenance personnel as well.

ii. The laboratory technician does all necessary testing at BCUI. This position has become a full time job with extended overtime to keep up with TDEC reporting requirements.

iii. The collection system operator checks the collection system daily as well as assists all other positions with ordering equipment and chemicals necessary to run the STP and Collection System. This position currently handles all computer hardware and software issues.

iv. The maintenance supervisor keeps all necessary equipment both at the STP, in the lab, and out in the collection system cleaned and operational. He is also in charge of all sludge handling at the plant. Clarifier, bar screens, and grounds maintenance are included in this position.

v. The administrative staff handles accounts payable and accounts receivable. This position also tends to all phone calls that leave a message and then issues these calls to the proper personnel. This position also works under the advisement of the President, Board of Directors, and the Financial Consultant. Another position may become necessary with some changes in our current billing arrangements.

vi. Duties as General Manager/President were stated earlier.

Q. What kind of shape is the Collection System in?

A. The Collection System is in good shape compared to older systems. However, there are still maintenance issues that will need to be addressed.

Q. When does your current NPDES Permit expire?

A. November 30, 2011

Q. Could a new NPDES Permit create additional cost to BCUI?

97 A. Yes it could. We have submitted for our new NPDES Permit that is scheduled to begin on November
98 30, 2011.

99 **Q. Does the plant currently need additional upgrades and replacements?**

100 A. Yes it does. The STP has been partially upgraded to meet the current standards; however, much
101 focus is needed on replacement issues that are sure to arise in the coming years. (See SAD-2)

102 **Q. Does your NPDES Permit require you to address cost of service?**

103 A. Yes, BCUI's NPDES Permit requires the company to cover its cost of service.

104 **Q. Does BCUI have an emergency response team?**

105 A. Yes it does.

106 **Q. Is this emergency response team needed?**

107 A. Yes, we respond to a variety of different types of emergencies from power outages to mechanical
108 malfunctions etc. We probably have 20+ emergencies per year; however, the creation of additional
109 personnel has proven to reduce this number.

110 **Q. Are there any changes that could be made to further reduce the number of emergencies at the**
111 **plant on an annual basis?**

112 A. Yes, along with the additional personnel, backup power for the STP and its collection pump stations
113 would further reduce the need for emergency responses.

114 **Q. Are there reasons the cost of service is higher than other sewer utility treatment facilities?**

115 A. Yes, there are multiple reasons, most municipalities and utility districts all over the country have had
116 the ability to either supplement their sewer cost through their billing of potable water or they have
117 received subsidies from federal, state, and local governments through taxes via low interest loans and
118 grants. Some of these types of loans are Community Development Block Grants (CDBG), United States
119 Department of Agriculture Rural Development Loans and Grants (RDA Loans), Clean Water State
120 Revolving Fund Loan Programs, and the America Reinvestment and Recovery Act (ARRA). There have

121 been billions upon billions of dollars spent to the water and wastewater infrastructure in this state since
122 the Federal Water Pollution Control Act of 1948. The Environmental Protection Agency was created in
123 1970 and the Clean Water Act was significantly changed in 1972. These federal and state programs and
124 divisions created a high quality of environmental sound collection, distribution, and treatment criteria
125 for which our country has continued to develop. However, BCUI has not had access to any of these
126 funding mechanisms in which to upgrade and replace its system. BCUI's only revenue stream has been
127 its rate base. Decades of continued pressure to hold down its rates compared to other utilities has left
128 the system in financial peril. Our current loans of approx \$1,350,000 (approved by the Tennessee
129 Regulatory Agency) has an interest rate of approximately 7.5%, this ratio of cost of funds would allow
130 BCUI to borrow over \$6,500,000.00 under the federal and state loan programs (which usually have an
131 interest rate around 1.5%). That would certainly assist in upgrading and replacement costs. Our lack
132 of replacement ability has increased our maintenance costs. These maintenance costs along with the
133 testing, operational, and administrative requirements have forced BCUI to hire additional personnel
134 without adding to our customer base.

135 **Q. Are there reasons the cost of service is much higher for sewer treatment in general?**

136 A. Yes, there are multiple reasons such as but not limited to: increased pricing for chemicals, utilities,
137 sludge handling, fuel, and testing.

138 **Q. Will the newly formed BCUI have a better chance to hold down future rates?**

139 A. We at BCUI believe that the nonprofit corporation with members will eventually have more access to
140 grants and low interest loans that will be necessary to hold the rate structure down. However, in the
141 present, the utility will need sufficient revenue to cover its cost of service. BCUI effort is to create a
142 financially sound, structurally sound, and environmentally sound sewage treatment facility.

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

144 A. Yes it does.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, TN

RE:

PETITION OF BERRY'S CHAPEL)

UTILITY INC. TO CHANGE AND) DOCKET NO. _____

INCREASE RATES AND CHARGES)

**DIRECT TESTIMONY OF
SCOTT DAVIS, OPERATIONS MANAGER
BERRY'S CHAPEL UTILITY, INC.**

Dated: SEPTEMBER 2011

1 **Q. Please state your name for the record.**

2 A. My name is Scott Davis.

3 **Q. Please summarize your credentials and related experience in the wastewater industry.**

4 A. I have a bachelor's degree in Finance from the University of Wisconsin-Milwaukee. I am a level 3
5 certified wastewater operator since 2010. I am a level 2 certified collection system operator since 2009.
6 I have attended training courses in plant safety, pump operation and maintenance, chemical feed
7 systems, and wastewater fundamentals.

8 **Q. What is your position with Berry's Chapel Utility, Inc. (BCUI)?**

9 A. I am the Operations Manager and Collection Systems Operator of BCUI.

10 **Q. How long have you been the Operations Manager of BCUI or its former Lynwood Utility**
11 **Corporation?**

12 A. I have been the Operations Manager since January 1st, 2008.

13 **Q. How long have you been the Collection System Operator of BCUI?**

14 A. I have been the Collection System Operator since April 1st, 2011

15 **Q. Are you a full time or part time employee?**

16 A. I am a part time employee.

17 **Q. What duties do you perform as the part time Operations Manager of BCUI?**

18 A. I manage all administrative and operation procedures as well as but not limited to financial
19 projection and budgeting, sample analysis, supply ordering, discharge monitoring reporting, and
20 monthly operating reporting.

21 **Q. What duties do you perform as the part time Collection System Operator of BCUI?**

22 A. I perform daily inspections of all BCUI pump stations, which includes but not limited to float repairs,
23 pump maintenance, pressure testing, pump efficiency, chemical feed production, and bench sheet
24 gauge recording.

25 **Q. Who do you supervise at BCUI?**

26 **A.** I supervise one full time lab technician and one part time maintenance employee.

27 **Q. What are your management functions?**

28 **A.** I perform a daily analysis of all pump stations, lab tests, and plant equipment as well as but not
29 limited to performing an inventory checklist for lab media, lab and plant equipment, and daily
30 maintenance supplies.

31 **Q. Have you completed a review of what is required by the Tennessee Department of Environment
32 and Conservation (TDEC) through the NPDES permit?**

33 **A.** Yes

34 **Q. What did your review conclude?**

35 **A.** In order to comply with permit parameters for discharge quality, a spreadsheet of required
36 maintenance was created shown in exhibit SAD-1, showing costs for each line item.

37 **Q. How did you determine these amounts?**

38 **A.** A review was performed where best estimated costs were applied.

39 **Q. What is the amount that is included in this rate filing?**

40 **A.** The amount is \$53,228.00 as shown in exhibit SAD-1. Of this amount, \$40,190.00 would be
41 considered plant additions.

42 **Q. Is this the same amount that you provided Mr. Ford in the rate case information?**

43 **A.** Yes it is.

44 **Q. Have you reviewed the long range requirements to bring the waste water treatment plant (WWTP)
45 into compliance by the guidelines set by TDEC?**

46 **A.** Yes I have.

47 **Q. Have you quantified these amounts into a financial exhibit with related informational notes
48 describing each category?**

49 A. Yes, financial exhibit SAD- 2 shows a total of \$2,234,290.00, divided into equipment expenses &
50 Improvement expenses to be implemented. The equipment expenses total \$787,540.00. The
51 improvement expenses total \$1,446,750.00. A description of each item is also included in exhibit SAD-2.

52 **Q. Was this information included in the financial information provided to Mr. Ford in the rate case**
53 **filings?**

54 A. No, this information has been quantified for budget and planning purposes only at this time.

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

56 A. Yes it does.

EXHIBIT SAD-1

BERRY'S CHAPEL UTILITY INC. 2011 REQUIRED MAINTENANCE LIST

ITEM #	ITEM	Short Term	Long Term	INDIVIDUAL COST	CUMULATIVE COST
1	Grease Surface Aerators	X		\$ 124.00	\$ 124.00
2	Paint Motors of Surface Aerators	X		\$ 325.00	\$ 449.00
3	Additional Sludge Pump	X		\$ 1,300.00	\$ 1,749.00
4	Additional Crane		X	\$ 4,500.00	\$ 6,249.00
5	Additional Crane Mounts (x2)		X	\$ 500.00	\$ 6,749.00
6	Replace Air Valve for Digester		X	\$ 1,250.00	\$ 7,999.00
7	Convert Cottonwood CS Videos to DVD		X	\$ 450.00	\$ 8,449.00
8	Design and Construct O&M Manual	X		\$ 100.00	\$ 8,549.00
9	Pump Station Gauge Repair		X	\$ 2,500.00	\$ 11,049.00
10	Prepare QAQC for Each pc. Of Equip.	X		\$ 250.00	\$ 11,299.00
11	Construct Equip. Manual	X		\$ 250.00	\$ 11,549.00
12	Replace Transducer	X		\$ 1,789.00	\$ 13,338.00
13	Additional px700 Messco Treatment		X	\$ 2,000.00	\$ 15,338.00
14	Breathing Apparatus Training		X	\$ 400.00	\$ 15,738.00
15	"A KIT" Chlorine Equipment		X	\$ 3,000.00	\$ 18,738.00
16	Install Wet Well Hatch at Plant		X	\$ 2,890.00	\$ 21,628.00
17	Rope Ladders for Empty Basins		X	\$ 600.00	\$ 22,228.00
18	Water Vacuum for Chlorine Basin		X	\$ 4,500.00	\$ 26,728.00
19	Elevations of M.H. in R. L. (Surveying)	X		\$ 500.00	\$ 27,228.00
20	Refurbishing Dumpsters		X	\$ 10,000.00	\$ 37,228.00
21	Additional Eppendorf pipettes	X		\$ 1,000.00	\$ 38,228.00
22	Chemical Removal from Plant	X		\$ 250.00	\$ 38,478.00
23	Clean and Organize Exterior of Plant		X	\$ 500.00	\$ 38,978.00
24	Comparability Study	X		\$ 1,750.00	\$ 40,728.00
25	Replace Acoustic Ceiling in SO ₂ Room		X	\$ 1,500.00	\$ 42,228.00
26	Additional Shelf space in Lab		X	\$ 2,500.00	\$ 44,728.00
27	Effluent Basin Hatch		X	\$ 3,500.00	\$ 48,228.00
28	Repair Chlorine and SO ₂ Scales	X		\$ 5,000.00	\$ 53,228.00
	TOTAL			\$	\$ 53,228.00

BERRY'S CHAPEL UTILITY INC. IMPROVEMENT PLAN

ITEM #	ITEM	EQUIPMENT	IMPROVEMENTS	ITEM TOTAL	CUMULATIVE COST
1	Generator (Plant)	\$ 175,500.00		\$ 175,500.00	\$ 175,500.00
2	Repair Hand Railing		\$ 27,750.00	\$ 27,750.00	\$ 203,250.00
3	Additional Digester Space		\$ 31,500.00	\$ 31,500.00	\$ 234,750.00
4	Manhole Repairs		\$ 142,500.00	\$ 142,500.00	\$ 377,250.00
5	Lab Equipment	\$ 26,000.00		\$ 26,000.00	\$ 403,250.00
6	BOD Incubator	\$ 19,500.00		\$ 19,500.00	\$ 422,750.00
7	Flow Meter	\$ 23,400.00		\$ 23,400.00	\$ 446,150.00
8	Microscope	\$ 4,940.00		\$ 4,940.00	\$ 451,090.00
9	Alum Feeding System		\$ 37,500.00	\$ 37,500.00	\$ 488,590.00
10	Collection System Telemetry		\$ 72,000.00	\$ 72,000.00	\$ 560,590.00
11	Upgrade Blowers		\$ 187,500.00	\$ 187,500.00	\$ 748,090.00
12	Confined Space Entry	\$ 19,500.00		\$ 19,500.00	\$ 767,590.00
13	Storage Sheds	\$ 16,900.00		\$ 16,900.00	\$ 784,490.00
14	Modification to Building / Break Room		\$ 112,500.00	\$ 112,500.00	\$ 896,990.00
15	Disinfection Upgrades	\$ 130,000.00		\$ 130,000.00	\$ 1,026,990.00
16	Clarifier Return Sludge Pump (2)	\$ 53,300.00		\$ 53,300.00	\$ 1,080,290.00
17	Crane	\$ 20,800.00		\$ 20,800.00	\$ 1,101,090.00
18	Generators (Collection System)	\$ 114,400.00		\$ 114,400.00	\$ 1,215,490.00
19	Solids Separator		\$ 31,500.00	\$ 31,500.00	\$ 1,246,990.00
20	Additional Odor & Grease Control		\$ 60,000.00	\$ 60,000.00	\$ 1,306,990.00
21	Upgrade Pump Station @ Plant		\$ 262,500.00	\$ 262,500.00	\$ 1,569,490.00
22	Computer Upgrades/ Security	\$ 33,800.00		\$ 33,800.00	\$ 1,603,290.00
23	Phosphorus Removal		\$ 52,500.00	\$ 52,500.00	\$ 1,655,790.00
24	Back Up Pumps for Pump Station	\$ 23,400.00		\$ 23,400.00	\$ 1,679,190.00
25	Mobile Pump Station (Trailer)	\$ 48,100.00		\$ 48,100.00	\$ 1,727,290.00
26	Sludge Dumpsters	\$ 78,000.00		\$ 78,000.00	\$ 1,805,290.00
27	Post Treatment Filtration		\$ 210,000.00	\$ 210,000.00	\$ 2,015,290.00
28	Removal of Sand Filter		\$ 16,500.00	\$ 16,500.00	\$ 2,031,790.00
29	Electrical Upgrades/ Transfer Switch		\$ 202,500.00	\$ 202,500.00	\$ 2,234,290.00
	TOTAL	\$ 787,540.00	\$ 1,446,750.00		\$ 2,234,290.00

IMPROVEMENT REQUEST

GENERATOR AT PLANT LOCATION

A 250 KW Diesel generator will be used to provide electricity to 100 percent of the plant at times of electrical outages.

Currently, when an electrical outage occurs, we manually start a diesel pump to transfer the influent to our basins. Although this can eliminate overflows, it does not provide for any additional treatment. The manually operated pump will only provide minimal additional time for the power to return.

During the course of one year, our wastewater treatment plant experiences approximately 25 emergencies per calendar year. Approximately 1/3 is due to mechanical problems and 2/3 is due to electrical outages. By the addition of a 250 KW Diesel gas generator, 2/3 of the electrical outages can be eliminated. When power outages occur, the self excited Diesel generator with an automatic transfer switch starts up. This will then provide power to all necessary systems at the plant.

HAND RAILING REPAIRS

To increase the safety of employees and all who are a part of our team, we need to improve the quality and stabilization of our hand rails around all basins at our treatment plant. The quality of our present hand rail system is aging and requires adequate repairs to improve the safety of our grounds.

ADDITIONAL DIGESTER SPACE

Currently, existing digester space is under sized. Our current removal process consists of wasting to the digester, removing to our dewatering box, and then hauling to landfill. With our digester space under sized, the process of removing to the dewatering box happens more frequently, resulting in more trips to the landfill. With additional digester space, the removal process can be applied at a more applicable and efficient rate.

MANHOLE & COLLECTION SYSTEM REPAIRS

Inflow and Infiltration is the amount of extraneous water entering a sanitary sewer collection system. Inflow is water that enters the collection system through improper or illegal connections to the sanitary sewer such as downspouts, sump pumps, areaway drains, and foundation/footer drains. Infiltration is groundwater that enters the sewer system through leaks or cracks in sewer pipes or manholes in the collection system. When this excess clear water enters the sanitary sewer it must be moved and treated like sanitary waste. Too much of this clear water in the sanitary system can lead to backups, overflows, and surcharges of raw waste into the streets or homeowners' property. This extra water in the collection system lines also adds to unnecessary increased treatment costs at the wastewater treatment facility.

Repairing manholes and lines throughout our collection system would help prevent an excess of inflow and infiltration, allowing money to be saved by the reduction of flow.

LAB EQUIPMENT

There is now a necessity of conducting all lab tests on site. We currently do not have all the laboratory equipment necessary to perform all tests. While initial start up costs is high, it allows us to get quick results and make immediate changes, as necessary, to our plant.

BOD INCUBATOR

BOD (Biochemical Oxygen Demand) testing requires the sample to be stored at precise temperatures for a duration of 5 days. Our current BOD Incubator only cools by a temperature controller. If the temperature inside the Incubator decreases, there is no way for the incubator to heat back up to the desired temperature. With the purchase of a new BOD Incubator, the desired temperature could be maintained precisely at all times.

UPDATE FLOW METER

Tracking flow data is an important role in the analysis of our plant. Currently our flow meter needs to be calibrated every two months to accurately measure our effluent flow. During winter months and during rain events the transducer is not able to accurately measure our effluent flow. With an updated and more advanced flow meter, analysis of our flow will be more accurate and efficient, improving the overall accuracy of our data collected.

MICROSCOPE

Proper analysis of wastewater treatment requires proper analysis of micro-organism identification. With the purchase of a microscope, sludge identification will be performed accurately and allow us to store our data directly to our computer for enhanced analysis.

ALUM FEEDING SYSTEM

Aluminum sulfate is an industrial chemical used as a flocculating agent for waste water treatment plants. Aluminum Sulfate is used in wastewater treatment because it causes impurities to coagulate which are removed as the particulate settles to the bottom of the container and then is more easily filtered. Aluminum Sulfate currently controls the stability of the sludge. It also participates in the reduction of Total Phosphorus. Because of the daily amount of labor involved in securing the operation, the need for an Alum Feeding System has increased. This new aluminum sulfate feeding system would consist of a 2 pump skid system that would allow you to monitor precisely the amount of aluminum sulfate being delivered to the treatment process. The skid system would include: Schedule 80 PVC piping, pressure relief valves, back pressure valves, calibration column, pulsation dampeners, pressure gauges with guards, EPDM/Hy palon Seals, and a 2-66 GPH 115 VAC Mechanically Actuated Metering Pump.

COLLECTION SYSTEM TELEMETRY

Telemetry is a technology that allows remote measurement and reporting of information. Our current collection system telemetry is outdated and is need for updating for faster response times. Our current telemetry does not differentiate between mechanical and electrical problems. With an updated system, we would be informed of the specific problem and at a faster rate.

UPGRADE BLOWERS

Due to summertime temperatures, the Dissolved Oxygen in the aeration basins approach critically low levels. Because of our biological approach to wastewater treatment, appropriate amounts of oxygen are extremely important for the treatment process. With the upgrades to our blowers, we would be able to produce enough oxygen during the summer months to maintain a steady level of Dissolved Oxygen.

CONFINED SPACE ENTRY

A confined space is defined as having limited or restricted means for entry or exit, and it is not designed for continuous employee occupancy. Lynwood Utility Corporation has hundreds of manholes throughout the collection system that require inspection on an annual basis. The collection system also has several wet wells that require daily inspections. For safety concerns, confined space entry equipment is needed, which includes: a self-contained, retractable 50L lifeline with built-in winch along with a 7H tripod, and a no-tangle harness that has back D-ring and metal-to-metal pass through style leg buckles. Also included is a Com-Pax-lal Blower that is attached to the canister in two positions to provide either ventilation or extraction.

STORAGE SHEDS

As maintenance continues to improve, the addition of tools, equipment, and supplies increase. With already limited space at our wastewater treatment plant, the need for a storage shed arrives. This addition would allow us to increase the organization of our plant, extend the life expectancy of equipment, and reduce the maintenance due to weather related issues. A storage shed would also provide a more efficient layout of our plant and increase the overall aesthetics of the plant.

BUILDING ADDITION AT PLANT

Currently, our wastewater treatment plant consists of an undersized laboratory and a mechanical room. As improvements continue, more equipment and laboratory supplies are needed. With a building addition, our laboratory would increase in size, a break room would be built for employees to eat, a storage room installed for supplies, an office to analyze data, and an additional bathroom. These additions would allow for better conditions and increase the efficiency of our plant.

ULTRAVIOLET DISINFECTION

An Ultraviolet disinfection system transfers electromagnetic energy to an organism's genetic material, DNA and RNA. When UV radiation penetrates the cell wall of an organism, it destroys the cell's ability to reproduce, thus being disinfected.

Currently, the use of Chlorine is used to disinfect any remaining microorganisms and then the Chlorine is removed by the addition of Sulfur Dioxide (SO₂). Both processes can be eliminated by the installation of an ultraviolet disinfection system. This would also increase safety.

Due to safety concern and environmental enhancements, ultraviolet has become the most widely acceptable method of disinfection in the industry. The initial start up cost is substantial; however, it is warranted once you evaluate all the advantages it will provide.

CLARIFIER RETURN SLUDGE PUMP (2)

With the purchase of two clarifier return sludge pumps, we would greatly reduce the amount of air being used to currently return the sludge, therefore allowing more air to circulate in other areas of the plant. Having more air in appropriate areas of the plant allows for a cleaner and more efficient treatment process.

NEW CRANE AT PLANT

A hoist crane is used primarily at Lynwood to raise and lower pumps into the chlorine chamber, D/O Chamber, SO₂ Chamber, sludge digesters, and aeration basins. Currently, the existing hoist crane only allows the pump to be raised and lowered into the sludge digester. A new hoist crane will increase the efficiency of operations, allowing pumps to have access to additional chambers, digesters, and basins. The age and the wear and tear of the existing hoist crane also develops a cause for concern for the safety of employees, thus putting this item at the top of the list for improvements to be made.

GENERATOR AT PUMP STATIONS

A 15 KW Diesel gas generator will be used to provide electricity to the pump stations at times of electrical outages.

Currently we have three pump stations at various locations throughout our collection system. All pump stations run on electricity. Approximately 67% of our pump station emergencies are due to electrical outages. By the addition of a 15 KW Diesel gas generator, all of the electrical outage emergencies can be eliminated, thus eliminating build up of influent in wet wells and eliminating odors that occur from build up.

SOLIDS SEPERATOR

Pre-treatment removes materials that can be easily collected from the raw wastewater before they damage or clog the pumps and skimmers of primary treatment clarifiers

The influent sewage water is currently strained with manually cleaned bar screens that allow solids to still pass through. These bar screens need to be updated to eliminate the solids that still pass through. This is most commonly done with an automated mechanically raked bar screens. In addition, a sand or grit channel or chamber where the velocity of the incoming wastewater is carefully controlled to allow sand, grit and stones to settle is needed. With these upgrade, solids would be more successfully separated and result in higher efficiency of treatment throughout the plant.

ADDITIONAL ODOR & GREASE CONTROL

In most instances, the odors associated with collection systems and primary treatment facilities are generated as a result of an anaerobic or "septic" condition. This condition occurs when oxygen transfer to the wastewater is limited such as in a force main. The byproduct of this activity is hydrogen sulfide (H₂S). Adding additional chemicals at a specific rate with a monitoring odor log and installing additional aerators at the head works of our plant would help increase the DO and help transfer the anaerobic condition to an aerobic condition. This would help eliminate the H₂S, which is the common odor coming from the wastewater treatment process.

UPGRADE PUMP STATION AT PLANT

Currently, the wet well at the head works of the plant is 8' in diameter with our pumps located in a 25' deep, 35 year old can station. With the wet well being only 8' in diameter, there is little to no control on flow stabilization. With the installation of a new 12' wet well and advanced transducers, flow stabilization would be achievable and thus improve the overall treatment and efficiency of our wastewater plant. New submersible pumps would eliminate the process of entering into the can station, improving the overall maintenance process and help enhance safety.

COMPUTER UPGRADES

Computers are a vital component to analyzing data collected at our wastewater treatment plant. Currently, we use an outdated computer with limited software to analyze our data. With the purchase of a new computer with its own server and appropriate software we would be able to track data more efficiently and be able to understand how our plant runs on a higher level. Having our computer system on its own server would allow associates to look at data from multiple locations, improving the efficiency of data analysis.

PHOSPHORUS REMOVAL

Controlling phosphorus discharged from wastewater treatment plants is a key factor in preventing algae growth of surface waters. Phosphorous is one of the major nutrients contributing in the increased algae of lakes and natural waters. With new requirements on our NPDES permit for phosphorus removal, we will need to incorporate highly advanced biological phosphorus removal process.

BACK UP PUMPS FOR EACH PUMP STATION

Currently, each pump station has two pumps working on an alternate rotation. As one pump requires repair, the other pump has to handle the entire flow coming into that wet well. During peaks of high flow, a single pump might not be able to handle the flow coming in. If one pump is being repaired and the other pump suffers any difficulties then there would be no active pumps, thus the need for a back up pump at each pump station.

MOBILE PUMP STATION (TRAILER)

A mobile pump station allows us to respond more appropriate to mechanical problems at our pump stations. A mobile pump station provides assistance in gravity collection systems to by-pass a gravity line during repair. Currently when there is a mechanical problem, time plays an important role in the repair of a collection system pump station pump.

DEWATERING DUMPSTERS

Due to current landfill regulatory requirements additional dewatering dumpsters are needed to obtain more efficient solidification. We currently use one 25 yard dewatering dumpster. With the purchase of a new dewatering dumpster with specific designs to allow for a shorter dewatering time, we will be able to speed up the process of sludge removal and thus improve the wasting process.

POST TREATMENT FILTRATION

Federal and State regulations are requiring effluent standards to be more stringent. This requires us to increase the quality our treatment with the use of a post treatment filtration system. Total Nitrogen, Phosphorus, Suspended Solids, and others can be enhanced with post treatment filtration. As our permit tightens, PTF will be one of the only alternatives and become an extremely viable option. Installing a tertiary and sand filter will capture and excess suspended solids and result in a cleaner effluent.

REMOVAL OF SAND FILTER

During the original construction of Lynwood's wastewater treatment plant, sand filters were installed for post treatment of effluent water. Improvements have been made throughout the years replacing sand filtering post treatment with advanced methods of Chlorine disinfection. These sand filters were never removed and take up sufficient space, preventing any additional advanced treatment methods to be installed in this area. With the demolition of these sand filters, space would open up and allow for further expansion of our plant.

ELECTRICAL CHANGE OVER/ TRANSFER SWITCH

Currently, one of our highest expenses is power used to operate our facility. Our plant runs off a 230 V 3-phase system. By changing over to a 480 V, we would use about ½ the amperage. Amperage translates into KW and we are billed for the amount of KW hours we use. By this electrical change over, we would be able to reduce the amount of KW hours by almost half. Although the initial cost of this conversion would be high, it would save money over a period of time, allowing improvements for other plant procedures.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

**IN RE: PETITION OF BERRY'S CHAPEL)
UTILITY INC. TO CHANGE AND) DOCKET NO. _____
INCREASE RATES AND CHARGES)**

DIRECT TESTIMONY OF

**JAMES B. FORD, FINANCIAL CONSULTANT
TO BERRY'S CHAPEL UTILITY, INC.**

Dated: September 2011

1 Q. Please state your name for the record.

2 A. My name is James B. Ford

3 Q. What is your position with Berry's Chapel Utility, Inc. (BCUI)?

4 A. Financial Consultant.

5 Q. How long have you been a Financial Consultant to BCUI?

6 A. Since 2005.

7 Q. What duties do you perform as Financial Consultant?

8 A. I set up and oversee the overall financial direction for accounting for the Company related to
9 record keeping and reporting, and I assess and make recommendations on the Company's financial
10 needs.

11 Q. Please summarize your business experience and experience in the regulated utility
12 industry.

13 A. I have been in the business world for 41 years. I am a licensed Certified Public
14 Accountant (retired) in Tennessee. I have also been licensed in Georgia and Kansas. I worked
15 for Authur Andersen & Co. for eight years in the Audit Division. I joined United Cities Gas
16 Company in 1978 as Vice President and Controller, and in 1986 I was appointed Senior Vice
17 President, Treasurer and Chief Financial Officer. During this period United Cities made 32
18 acquisitions and raised more than \$300 million in capital to provide for the company's growth.
19 In 1997, United Cities Gas Company was sold to Atmos Energy Corporation. I retired and
20 began consulting work for utilities and small business.

21 Q. Do you have concerns about BCUI financial condition?

22 A. Yes. Since 2002, BCUI and its predecessor Lynnwood Utility Corporation (LUC) have

23 incurred losses of approximately \$1,200,000.¹ All of these losses were funded by debt.

24 In May, 2010, the flood of Middle Tennessee covered the Company's sewer plant in

25 Cottonwood. As part of the bank loan conditions, the Company was required to obtain a

26 FEMA flood insurance policy for \$500,000. The insurance adjuster stated that since the

27 plant was not under roof, only \$28,000 would be paid by the FEMA insurance policy. The

28 Company appealed, hired NFA to fight the ruling, but was not successful. The Company

29 responded to the damage at the plant (back operating - not 100%, but serving customers in

30 36-48 hours).

31 The BCUI plant incurred approximately \$218,000 of damage. The \$190,000 not paid by

32 insurance was funded by the Company line of credit. When that was used up, advances for labor

33 and other expenses of approximately \$85,000, were funded by Mr. John Rings Company,

34 Tenn Contractors, Inc., which still has not been paid back. Approximately \$60,000 of repairs

35 have not been made due to lack of funds.

36 The Company made a loan application to the SBA for assistance for damage repairs and

37 operating capital in May, 2010. The SBA declined the loan stating that the company was

38 not financially viable nor did it seem to have the ability to pay the loan back. See JBF-1.

39 A review was made of possible state and federal grants that might be available. There was

40 none – must be government agency or not-for-profit or association (i.e. cooperative). This

41 is one of the reasons that LUC agreed to merge into BCUI.

¹ Source LUC TRA annual reports

42 At present, BCUI does not have cash flow to pay bills for items such as sludge removal,
43 odor control, chemicals or maintenance.

44 The new TDEC permit require maintenance improvements of over \$50,000. See the
45 Scott Davis Testimony and Exhibit SAD-1.

46 Q. Does BCUI have an annual audit by an independent CPA firm?

47 A Yes. BCUI's year-end is June 30, 2011 and they have retained Lattimore, Black, Morgan
48 & Cain (LBMC) to perform an audit at June 30, 2011. Due to BCUI financial condition, the
49 audit opinion contains qualification related to survival as an
50 ongoing business concern. See JBF-2. BCUI is hopeful that an audit
51 will aid them in obtaining State and Federal grants. Were the Company's accounting exhibits
52 filed in support of the Company's rate case attached to your testimony prepared by you or
53 under your supervision?

54 A. See JBF-2 for LBMC Reports as of June 30, 2011, dated September 21, 2011.

55 Q. What is the source of the information used in preparing the Company's accounting exhibits?

56 A. I prepared the information in the accounting exhibits from the financial and operation
57 records of the Company.

58 Q. What is the rate increase the Company is requesting in this case?

59 A The Company is seeking a rate increase that would produce additional annual revenues of
60 \$398,853. The proposed rate increase will increase the Company's existing rates by 76%.

61 Q. When was the Company's last rate increase?

62 A The Company's last rate increase was granted by the Authority on September 9, 2009 in the
63 amount of \$125,618.

64 Q. Were you the Financial Consultant to BCUI at that time?

65 A. Yes, to its predecessor Lynwood Utility Corporation.

66 Q. Will you please explain the Company accounting exhibit filed with your testimony in support
67 of the rate increase in this case?

68 A. Yes, I will.

69 Q. What is the test period the Company used in this case?

70 A. The Company used the historical information for ten months ending June 30, 2011 and a
71 forecast for the remaining two months. The test period was adjusted for known and anticipated
72 changes to arrive at the attrition period.

73 Q. Please describe the Company accounting exhibit schedules filed with your testimony which
74 detail and support the revenues and expenses for the test period and attrition period.

75 A. I will. Schedule A shows the Company's revenue requirements for the attrition year which
76 supports the revenue deficiency of \$398,853. Schedule R/E and its related schedules show the
77 Company's operating loss for the test period and attrition period with existing rates.

78 Q. How did the Company determine the revenues for the test period?

79 A. The Company took the historical volumes for the last twelve months ending
80 March 31, 2011 times the current rates. Schedule R-1.

81 Q. Please explain the adjustments to operating expenses made in the test period.

82 A. The adjustment to operating expenses for the test period is \$52,936 which is set forth in
83 Schedule E-1. This adjustment reflects the known increases for sludge removal, purchase power
84 and chemicals. Along with an adjustment to purchased water, materials and supplies, and for the
85 change in the CPI as of April 30, 2011. Additionally, an adjustment to reflect the increases in
86 cost requirements as dictated by TDEC effective May 1, 2011.

87 Q. How did the Company determine its customer accounting expenses in Schedule E-2?

88 A. The Company's customer accounting expenses are comprised of the actual costs billed to the
89 Company by the water utilities which provide billing and collection services to the Company, the
90 bad debts reported by these water utilities on the Company's bills for sewer service and the time
91 spent by the Company's part-time clerical employee handling billing matters. An additional
92 provision for unpaid disputed accounts was made in the amount of \$15,480 for approximately 120
93 accounts who have refused to pay the new facilities charge of \$20 per month. See JBF-4 for listing
94 of customers with past due balances. Our other 720 customers continue to pay their bill promptly.
95 These past due balances have effected cash flow and reduced the Company's ability to pay
96 some of its bills. In addition, some customers are not paying their bills since they now know that
97 the water billing company (HB&TS Utility Dist) will not turn off their water for non payment
98 of sewer service. This now amounts to past due accounts amounting to over \$6,000.
99 TDEC will not allow the company to disconnect sewer service from a home for non payment.
100 This matter must be resolved in a timely manner to protect all good paying customers.

101 Q. Please explain the adjustments to the general and administrative expense made to the test
102 period expenses.

103 A. Certain expenses were adjusted for the April 30, 2011 CPI factor along with an adjustment
104 to insurance expenses for projected increases.

105 Q. Please explain the adjustments to the regulatory expenses made to the test period expenses.

106 A. The adjustment to regulatory expenses for the test period is \$21,500 which is set forth in
107 Schedule E-5 and Schedule E-5/1. The regulatory expense was adjusted by \$43,000 to reflect the
108 projected \$16,000 in accountings, \$25,000 in legal fees, and \$2,000 in other related fees for this
109 rate case filed by BCUI. Since costs are now changing very rapidly, the Company, based on past
110 history, will have to file a rate case every two years to defer the effect of regulatory delay in

111 setting rates.

112 Q. Under Rule 1220-4-13-.07, the Authority may require that the Company have an escrow/
113 reserve account. Does the Company exhibit include any expense for such an escrow/reserve
114 account?

115 A. No, it does not.

116 Q. If the Authority requires the submission of financial security and/or an escrow/reserve
117 account under Rule 1220-4-13-.07, will the costs of these items increase the Company's revenue
118 deficiency above the revenue deficiency set forth in Schedule A?

119 A. Yes, and the Company's proposed rates would have to increase to cover these additional
120 expenses.

121 Q. Has BCUI submitted a rate base calculation and requested a rate of return?

122 A. As a not-for-profit company, there is no investor. As a result, the only return required
123 is that which is required to service the debt that has been incurred to provide service to the
124 customer base. Schedule B and supporting schedules B-1 through B-5 are a walk forward
125 of LUC Rate Base since the last rate case in 2008 and is calculated based on the various approvals
126 issued by the TRA in the LUC's past rate filing as they relate to depreciation and
127 amortization rates along with a working capital calculation. A rate base of \$1,139,310 with
128 interest expense of \$101,175 requires a calculated rate of return of 8.8%.

129 Additionally, BCUI's NPDES Operating Permit from TDEC

130 states under section 3.8.1 that BCUI shall levy and collect revenues that are required to fund all
131 operation, maintenance, principle and interest of debt service, and depreciation. See JBF-3.

132 Q. Why has the Company not provided for State or Federal income tax expenses?

133 A. BCUI is subject to State and Federal income taxes at this time, but does not forecast

134 a profit for tax purposes in the near future. When 85% of BCUI customers sign up to be
135 members, the company will be able to file for an exemption from Federal income taxes.

136 Q. What rates for sewer service does the Company propose in this case?

137 A. The Company requests that the Authority approve an increase in the rate for residential
138 service from \$7.97 per 1,000 gallons to \$9.29 per 1,000 gallons, a 16.6% increase. The
139 Company requests the same rate increase for its non-residential customers from \$9.96 to \$11.28.
140 In addition, the Company has requested a base rate charge of \$30.00 per month for Residential
141 customers and \$40.00 per month for Commercial customers. This will stabilize the
142 Company's cash flow and allow it to pay its recurring bills in an orderly fashion.

143 Q. Does this conclude your testimony?

144 A. Yes, it does.

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE A

REVENUE REQUIREMENT

2011

TEST PERIOD RATE BASE	<u>\$1,135,068</u>
PROJECTED REVENUE	\$593,409
PROJECTED COST OF SERVICE	<u>\$853,994</u>
REVENUE SHORT FALL	<u>(\$260,585)</u>
REQUIRED OPERATING INCOME @ 8.9%	\$101,175
OPERATING INCOME DEFICIENCY	<u>(\$361,760)</u>
EXPANSION FACTOR (.907)	<u>0.907 (1</u>
REQUIRED REVENUE INCREASE	<u>(\$398,853)</u>
BASE CHARGE - RESIDENTIAL 30 x 839 x 12 =	\$302,040
BASE CHARGE - NON-RESIDENTIAL 40 x 2 x 12 =	\$960
VOLUME INCREASE (72,570 GALLONS x 1.32)	<u>\$95,853</u>
	<u>\$398,853</u>

(1 BILLING EXPENSE 7.5%, BAD DEBT 1.8% . TOTAL OF 9.3% - 100% = 90.7%

BERRY'S CHAPEL UTILITY, INC.**SCHEDULE B****2011 RATE CASE****RATE BASE 2011**

SCHEDULE	
B-2	UTILITY PLANT IN SERVICE \$3,403,038
B-1	DEFERRED DEBITS AND DEPOSITS \$297,358
B-3	ACCUMULATED DEPRECIATION (\$2,144,174)
B-5	WORKING CAPITAL \$95,148
B-4	CONTRIBUTION AID OF CONSTRUCTION (\$516,302)
TEST PERIOD RATE BASE	
\$1,135,068	

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE B-1

DEFERRED DEBITS AND DEPOSITS

2011

	TEST PERIOD	ADJUSTMENTS	PROJECTED
UNAMORTIZED DEBT DISCOUNT	\$1,045		\$1,045
DEFERRED COST OF 2009 RATE CASE	\$16,113		\$16,113
DEFERRED COST OF 2011 RATE CASE	-	\$43,000	\$43,000
DEFERRED COST OF ODOR CONTROL	\$43,963		\$43,963
RENT DEPOSIT	\$1,500		\$1,500
CONTAINER DEPOSIT	\$1,500		\$1,500
DEFERRED FLOOD DAMAGE	\$190,237		\$190,237
TOTAL DEFERRED DEBITS AND DEPOSITS	\$254,358	\$43,000	\$297,358

BERRY'S CHAPEL UTILITY, INC. PROPERTY DETAIL ANALYSIS

SCHEDULE B-2

ANC # (Line)	303 (-)	304 (28)	314 (18)	334 (28)	344 (6)	354 (28)	364 (6)	TBA	TDEC-R	TDEC-UR	FIS TOTAL
	LAND	STRUCTURES & IMPROVEMENT	PUMP EQUIPMENT	COLLECTION SYSTEM	LAB EQUIPMENT	TREATMENT & DISPOSAL	TRANSPORT EQUIPMENT	TOTAL			
2000 BALANCE	10,000.00	125,105.00	50,898.00	22,800.00	0.00	1,548,516.00	2,895.00	1,779,871.00			
2001 BALANCE			36,353.00	14,289.00		47,899.97		97,471.97			
2002 BALANCE			50,339.00	55,750.00	0.00	1,608,383.67	2,895.00	1,879,468.67			
2003 BALANCE	10,000.00	125,105.00	85,181.00	16,800.00	0.00	645,185.92		749,871.92			
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BC\ADMIN\BALANCE\PROPERTY\BALANCE\WORKSHEET\PROPERTY DETAIL ANALYSIS

ANALYSIS OF CONTRIBUTIONS IN AID OF CONSTRUCTION

31-DEC

Gross

Accum

Not

[illegible]

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE B-5

WORKING CAPITAL REQUIREMENT

2011

TEST PERIOD PROJECTED REVENUES

\$593,409

PROJECTED ADDITIONAL REVENUE REQUIREMENT

\$398,853 (1)

\$992,262

divided by: 365 days

CASH FLOW PER DAY REQUIREMENT

\$2,719

AVERAGE TIME TO RECEIVE

(50 DAYS)

AVERAGE TIME TO PAY

15 DAYS 35 x

WORKING CAPITAL REQUIREMENT

\$95,148

(1) COST OF SERVICE IN EXCESS OF REVENUES PLUS
RETURNS DIVIDED BY EXPANSION FACTOR (.907)

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE R/E

REVENUE AND EXPENSES FOR 12 MONTH PERIOD

2011

SCHEDULE	REVENUES	12 MONTHS		AS ADJUSTED
		PROJECTED	ADJUSTMENTS	AMOUNT
R-1	SEWER FEES	\$580,265		\$580,265
	INSPECTION FEES + TAP FEES	\$250	\$3,500	\$3,750
	LATE CHARGES	\$9,394		\$9,394
	TOTAL REVENUES	\$589,909	\$3,500	\$593,409
	OPERATIONS AND EXPENSES			
E-1	OPERATING EXPENSES	\$335,590	\$52,936	\$388,526
E-2	CUSTOMER ACCOUNTING EXPENSE	\$80,355	\$6,598	\$86,953
E-3	GENERAL AND ADMIN EXPENSE	\$124,243	\$8,856	\$133,099
E-4	TAXES AND OTHER INCOME	\$26,760	\$3,142	\$29,902
E-5	REGULATORY EXPENSE	\$48,898	\$21,500	\$70,398
E-6	DEPRECIATION EXPENSE	\$145,116	\$0	\$145,116
	TOTAL COST OF SERVICES	\$760,962	\$93,032	\$853,994
	EXPENSES IN EXCESS OF REVENUES	(\$171,053)	(\$89,532)	(\$260,585)

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE R-1

PROJECTED REVENUE

2011

**12 MONTHS
PROJECTED**

RESIDENTIAL CUSTOMERS (839) \$7.97 X 71,624 = \$570,843

COMMERCIAL CUSTOMERS (2) \$9.96 X 946 = \$9,422

TOTAL PROJECTED REVENUE - SEWER FEES \$580,265

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE E-1

OPERATING EXPENSES

2011

OPERATING EXPENSES	10 MONTHS ENDED 6/30/11	2 MONTHS FORECASTED	12 MONTHS PROJECTED	FACTOR ADJUSTMENT	AS ADJUSTED AMOUNT
PURCHASED WATER	\$5,347	\$1,068	\$6,415	3.2% (1)	\$6,620
SLUDGE REMOVAL	\$36,845	\$7,370	\$44,215	25% (2)	\$55,269
PURCHASED POWER	\$49,304	\$9,860	\$59,164	19% (2)	\$70,405
CHEMICALS	\$32,838	\$6,566	\$39,404	16% (2)	\$45,709
MATERIALS AND SUPPLIES	\$47,141	\$9,428	\$56,569	3.2% (1)	\$58,379
ENGR. INSPECTIONS	\$2,372	\$474	\$2,846		\$2,846
TESTING	\$19,356	\$3,870	\$23,226		\$31,258
REPAIRS AND MAINTENANCE	\$32,589	\$6,518	\$39,107		\$53,396
OPERATIONS MANAGEMENT	\$53,870	\$10,774	\$64,644		\$64,644
TOTAL OPERATING EXPENSES	\$279,662	\$55,928	\$335,590		\$52,936
					\$388,526

(1) April 30, 2011 CPI

(2) Increase reflected on invoices received

(3) Known changes require by TEDC starting May 1, 2011 & 3.2% April 30, 2011 CPI less items on SAD-1 that would be plant additions.

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE E-2

CUSTOMER ACCOUNTING EXPENSE
2011

	10 MONTHS ENDED 6/30/11	2 MONTHS FORECASTED	12 MONTHS PROJECTED	ADJUSTMENT	AS ADJUSTED AMOUNT
BILLING AND COLLECTION FEES	\$36,259	\$7,250	\$43,509		\$43,509
CUSTOMER ACCOUNTING	\$5,196	\$1,040	\$6,236	\$7,725 (3)	\$13,961
BAD DEBT EXPENSE	\$10,225	\$2,044	\$12,269	(1,588) (2)	\$10,681
TELEPHONE EXPENSE	\$3,272	\$654	\$3,926		\$3,926
OFFICE SUPPLIES	\$12,013	\$2,402	\$14,415	\$461 (1)	\$14,876
TOTAL CUST ACCOUNTING EXPENSE	\$66,965	\$13,390	\$80,355	\$6,598	\$86,953

(1) APRIL 30, 2011 CPI

(2) TO ADJUST TO HISTORICAL PERCENTAGE

(3) INTERNAL COST DUE TO TAKING OVER BILLING FOR HB&TS FOR 4 MONTHS

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE E-3

GENERAL & ADMIN EXPENSES

2011

GENERAL & ADMIN EXPENSES	10 MONTHS ENDED 6/30/11		2 MONTHS FORECASTED		12 MONTHS PROJECTED		FACTOR	ADJUSTMENT	AS ADJUSTED AMOUNT
ACCOUNTING AND BOOKKEEPING	\$15,745		\$3,149		\$18,894	3.2%	(1)	\$605	\$19,499
TAX ACCOUNTING + AUDIT	\$3,316		\$663		\$3,979			\$6,000 (3)	\$9,979
ACCOUNTING - OTHER	\$9,578		\$1,916		\$11,494			\$0	\$11,494
LEGAL	\$27,696		\$5,539		\$33,235			\$0	\$33,235
RENT	\$10,000		\$2,000		\$12,000			\$0	\$12,000
INSURANCE	\$24,404		\$4,881		\$29,285	6.0%	(2)	\$1,757	\$31,042
OTHER MISC. EXPENSES	\$2,272		\$454		\$2,726	3.2%	(1)	\$90	\$2,816
INJURIES AND DAMAGE	\$10,525		\$2,105		\$12,630	3.2%	(1)	\$404	\$13,034
TOTAL GENERAL & ADMIN EXPENSE	\$103,536		\$20,707		\$124,243			\$8,856	\$133,099

(1) Inflation factor

(2) Projected increase

(3) Adjust to known amount

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE E-4

TAXES OTHER THAN INCOME

2011

	10 MONTHS ENDED 6/30/11	2 MONTHS FORECASTED	12 MONTHS PROJECTED	AS ADJUSTED ADJUSTMENTS AMOUNT
PROPERTY TAXES	\$12,000	\$2,400	\$14,400	\$3,142 (1) \$17,542
TN FRANCHISE TAXES	\$10,100	\$2,020	\$12,120	\$0 \$12,120
TAXES OTHER	\$200	\$40	\$240	\$0 \$240
TOTAL TAXES - OTHER THAN INCOME	\$22,300	\$4,460	\$26,760	\$3,142 \$29,902

(1) Projected Williamson Co. rate increases of .22

(2) Adjust to valuation for F & E Taxes

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE E-5

REGULATORY EXPENSES

2011

	10 MONTHS ENDED 6/30/11	2 MONTHS FORECASTED	12 MONTHS PROJECTED	ADJUSTMENTS	AS ADJUSTED AMOUNT
REGULATORY EXPENSES	\$27,500	\$5,500	\$33,000	\$21,500 (1)	\$54,500
REGULATORY ASSESSMENT FEES + EXPENSES	\$13,248	\$2,650	\$15,898	-	\$15,898
TOTAL REGULATORY EXPENSES	\$40,748	\$8,150	\$48,898	\$21,500	\$70,398

(1) - SCHEDULE E-5/1

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE E-5/1

RATE CASE EXPENSES

2011

ACCOUNTING

\$16,000

LEGAL

\$25,000

EXPENSES, FEES, COPIES, ETC.

\$2,000

TOTAL REGULATORY EXPENSE

\$43,000

AMORTIZED OVER 2 YEARS

\$21,500

BERRY'S CHAPEL UTILITY, INC.

SCHEDULE E-6

DEPRECIATION AND AMORTIZATION EXPENSES, NET

2011

	12 MONTHS PROJECTED	ADJUSTMENTS	AS ADJUSTED AMOUNT
DEPRECIATION AND AMORTIZATION EXPENSES (1)	\$193,815	-	\$193,815
AMORTIZATION CREDIT OF CIAC	<u>(\$48,699)</u>	-	<u>(\$48,699)</u>
TOTAL DEPRECIATION AND AMORTIZATION, NET	<u>\$145,116</u>	\$0	<u>\$145,116</u>

(1) Per Detail Amortization and Depreciation Schedule (B-3) plus Amortization of Debt Expense = \$7,200

BERRY'S CHAPEL UTILITY, INC.

MONTHLY SEWER SERVICE BILLING

RESIDENTIAL, CONDOMINIUM, HOUSE OR APARTMENT

Charge per 1,000 gallons (Actual or Assumed Flow).....\$9.29
Minimum Monthly Charge.....\$25.00
Base Service Charge.....\$30.00

NON-RESIDENTIAL

Charge per 1,000 gallons (Actual or Assumed Flow).....\$11.28
Minimum Monthly Charge.....\$40.00
Base Service Charge.....\$40.00

TAP FEES

RESIDENTIAL.....\$3,500.00

NON-RESIDENTIAL

Charge per gallon per day (Computed by multiplying the peak monthly Usage during the first year by 12 divided By 365 days.).....\$7.86

SEWER CONNECTION FEES

RESIDENTIAL OR NON-RESIDENTIAL.....\$250.00

GENERAL FEES

Returned Check Charge.....\$30.00

Issue Date: November 1, 2011
Effective Date: November 1, 2011



U.S. SMALL BUSINESS ADMINISTRATION
Processing And Disbursement Center
14925 Kingsport Road
Fort Worth, TX 76155-2243

800-659-2955
Hearing Impaired
800-877-8339

June 3, 2010

Southern Utility Corporation
John Ring, President
321 Billingsly Court
Franklin, TN 37067

EXHIBIT JB-F-1

1/11

RE: Disaster Loan Application No.: 0004313393

Dear Mr. Ring:

We have thoroughly reviewed your recent application for a disaster loan from the U. S. Small Business Administration (SBA). Although we made every effort to approve your loan request, we are unable to offer you a disaster loan for the following reason(s):

Lack of repayment ability

Our analysis of all the information provided with your loan application concluded your income is insufficient to repay a disaster loan in addition to your existing debts, living expenses, taxes, insurance, and other obligations.

If you disagree with our decision, you have the right to request reconsideration. Your request must:

1. Be in writing and be received by this office **within 6 months** from the date of this letter.
2. Contain significant new information that you believe will overcome the decline reason(s).
3. Provide a completed, signed and dated IRS Form 8821 (enclosed).
4. Contain current financial statements (dated **within 90 days**).

If you have any questions about this action, please contact our office at the above address or the toll free number.

Sincerely,

Alfonso Olivas
Supervisory Loan Officer

Enc.

SBA Form 2157R(3-01)

The Federal Equal Credit Opportunity Act, 15 U.S.C. § 1691, prohibits creditors from discrimination against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Consumer Response Center, Federal Trade Commission, Washington, D.C. 20580.



U.S. SMALL BUSINESS ADMINISTRATION DISASTER BUSINESS LOAN APPLICATION

OMB No. 3245-0077
Exp. 05-2010

FOR SBA INTERNAL USE ONLY

EXHIBIT JBF-1

Physical Declaration Number

12159

Filing Deadline Date

7-6-10

Economic Injury Declaration Number

12160

Filing Deadline Date

2-4-11

FEMA Registration Number
(if known)

412159144

SBA Application Number

☒ Physical Damage -- Indicate type of damage

☒ Real Property

☒ Business Contents

☐ Military Reservist EIDL (MREIDL)

(complete the following)

* Name of Essential Employee

* Employee's Social Security Number

☒ Economic Injury (EIDL)

PLEASE PROVIDE ALL INFORMATION OR DOCUMENTATION REQUESTED IN THE ATTACHED FILING REQUIREMENTS.

Southwest Electric Company
Lynchburg, VA

62-1781405

N/A

615-337-7003

321 Billman Court

Franklin

Williamson

TN

37067

180 Cottonwood Dr

Franklin

Williamson

TN

37069

☒ Loss Verification Inspection

☒ Information necessary to process the Application

Name Tyler L Rms

Name James B. Ford

Telephone Number 615-305-1033

Telephone Number 615-308-8502

Call ☐

Fax ☐

E-mail ☐

Other ☐

Call ☐

Fax ☐

E-mail ☐

Other ☐

615-599-0797

JBURTONFORD@COMCAST.NET

Public Utility - Waste water

1975

2002

☒ Owned

☐ Leased

Outside
Contractor

☐ YES

☐ NO

Name of Insurance Company and Agent

Hartford Insurance Mary Ross-Goodnough

Phone Number of Insurance Agent

800-759-8656

Policy Number

87-04420870-2010



U. S. Small Business Administration

EXHIBIT JBF-1

4/11

**ADDITIONAL FILING REQUIREMENTS
ECONOMIC INJURY DISASTER LOAN (EIDL), and
MILITARY RESERVE ECONOMIC INJURY DISASTER LOAN (MREIDL)**

- An EIDL is limited to providing working capital that is unavailable from other sources for an eligible business to continue operations until the effects of the declared disaster have passed.
- A MREIDL is limited to providing working capital that is unavailable from other sources for an eligible business to continue operations until the effects of a call-up to active duty (as a result of a military conflict) of an essential employee have passed.
- To qualify, the APPLICANT must be a small business or a small agricultural cooperative, as defined in SBA's published size standards, without credit available elsewhere (unable to obtain credit from private sources at reasonable rates and terms) and be engaged in an eligible business activity. The business and its principals must utilize their own resources to the maximum extent possible.
- The APPLICANT must establish that the claimed economic injury is substantial and is a direct result of the declared disaster. For MREIDL, the applicant must establish the claimed economic injury is substantial and is a direct result of the call-up of an essential employee. Substantial economic injury generally means a decrease in income from operations or working capital with the result that the business is unable to meet its obligations and pay ordinary and necessary operating expenses in the normal course of business.

Before you proceed, please read the "Economic Injury Loans for Small Businesses" pamphlet (DA-3) or the "Military Reserve Economic Injury Disaster Loan Fact Sheet" for a more comprehensive explanation of the appropriate SBA loan program.

**PROVIDE THE FOLLOWING INFORMATION IN ADDITION TO THE REQUIREMENTS ON THE
"DISASTER BUSINESS LOAN APPLICATION," SBA FORM 5
Revised June 1996**

Provide monthly sales figures (you may estimate if actual figures are not available) beginning 3 years prior to the disaster and continuing through the most recent month available.

PLEASE NOTE: Identify any estimates with a small letter "e" after the number.

Month	Fiscal year 200 <u>7</u>	Fiscal year 200 <u>8</u>	Fiscal year 200 <u>9</u>	Current year/ to date
Jan	\$ 29,682	\$ 36,470	\$ 29,383	\$ 32,919
Feb	\$ 28,536	\$ 26,329	\$ 30,002	\$ 38,333
Mar	\$ 26,452	\$ 35,673	\$ 34,698	\$ 50,612
Apr	\$ 29,503	\$ 31,557	\$ 28,210	\$ 26,916
May	\$ 33,052	\$ 30,818	\$ 26,693	\$ 25,065
Jun	\$ 45,592	\$ 36,111	\$ 40,384	\$ 41,768
Jul	\$ 68,709	\$ 49,797	\$ 43,978	\$ 46,153
Aug	\$ 64,926	\$ 48,143	\$ 57,218	\$ 63,305
Sept	\$ 59,871	\$ 82,863	\$ 51,661	\$ 55,526
Oct	\$ 46,208	\$ 61,671	\$ 50,348	\$ 53,924
Nov	\$ 53,831	\$ 41,639	\$ 40,717	\$ 42,174
Dec	\$ 44,301	\$ 57,802	\$ 41,754	\$ 43,439
Totals	\$ 530,663	\$ 538,873	\$ 475,046	\$ 520,134

E
E
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E

*Please note: the total figures for each year should reconcile to the sales figures on your tax returns for the corresponding fiscal year.

CONTINUED ON REVERSE

It can be helpful to provide a financial forecast to illustrate what the income and expenses for the business will be during the period affected by the disaster until normal operations resume. This is not required.

This optional format is provided for your convenience.

Period covered by this forecast. From	To
Net sales (receipts)	596,000
Less cost of goods sold	393,000
Gross profit	190,000
Less expenses	
Officers salaries	①
Employee wages	①
Advertising	-
Rent	30,000
Utilities	-
Interest	92,000
Taxes	21,000
Insurance	-
Other expenses	190,000
Total expenses	323,000
Net profit <Loss> before income taxes <i>Loss</i>	(133,000)

PLEASE SUBMIT ANY ADDITIONAL NARRATIVE OR FINANCIAL INFORMATION
YOU FEEL WILL HELP ESTABLISH YOUR ECONOMIC LOSS

① Outside contractors included in other areas

See Note to Revenue Summary

Please note: The estimated burden for completing this form is 1 hour. You are not required to respond to any collection of information unless it displays a current valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration; Chief, AIB; 409 3rd St., SW, Washington, DC 20416 and Desk Officer for the Small Business Administration; Office of Management and Budget, New Executive Office building, Room 10202, Washington, DC 20503. OMB Approval (3245-0017). Please do not send forms to OMB.

EXHIBIT JB F-1

SOUTHERN UTILITY CORPORATION AND SUBSIDIARY
LYNWOOD UTILITY CORPORATION

6/11

NOTE FOR REVENUE SUMMARY

On September 11, 2009, the Tennessee Regulatory Authority approved a rate increase from \$6.53 per thousand gallons to \$7.97 per thousand gallons. This increase was applied to meter reading on December 1, 2009, which would have added \$126,000 in additional annual revenues during 2010. This would have produced Total Operating Revenue per our budget of \$663,000.

We provide wastewater utility services to 835 residential customers, one church and one public school which has approximately 500 students in Williamson County.

Due to loss of customers (projected for 9 months) of 130 and reduced flow of water we are projecting an economic loss of \$142,866 for this period.

SUGGESTED FORMAT

Applicant's Name Lynwood Utility Corp

SCHEDULE OF LIABILITIES

(Notes, Mortgages and Accounts Payable)

Date of Schedule 3/31/10

Name of Creditor	Original amount	Original date	Current balance	Current or delinquent?	Maturity date	Payment amount (Month-Year)	How Secured
TN Commerce BK	1,200,000	12/11/09	1,175,000	Current	2014	9,000 M	Lease + Ownership
LTD Note							
TN Commerce BK	250,000	12/11/09	143,000 ⁽¹⁾	Current	1 yr	Int + Mgt	Lease + Ownership
LTD Note							
TN Contractor	36,000	A/P	36,000	Current	30 day	N/A	Open line
A/P							
SUI	172,000	172,000	170,000	Current	Open	N/A	Open
Advance A/C							

3/31/10
Signed

① Addition 70,000 shown due to 7/1/09

EXHIBIT JBF-1

7/11

This form is provided for your convenience in responding to filing requirements in item 2 on the application, SBA Form 5. You may use your own form if you prefer. The information contained in this schedule is a supplement to your balance sheet and should balance to the liabilities presented on that form.

Please note: This form is also associated with the following OMB information collections: OMB No. 3245-0326 (SBA Form 5M) and OMB No. 3245-0330 (SBA Form 5R).

Title

President

EXHIBIT JBf-1
8/11

Lynwood Utility Corporation

May 1st, 2010 Flood

Re: Timeline of events

Date: 5/13/2010

During the flooding event that began on May 1st, 2010 the Lynwood Utility Corporation lost total control of the plant at approximately 6:00 pm. All systems were non operational until a flooded diesel pump began working at approximately 10:30 am on Monday May 3rd, 2010. Power was restored to the plant by approximately 12:30pm that same day. Numerous amounts of pumps, control panels, and motors had been completely submerged during the flood. The influent Pump Station at the plant as well as one of the pump stations in Lynwood's collection system had been completely submerged. Flood waters had also entered the entire building that contains the laboratory, electrical, chemical, storage, and blower rooms. All 13 treatment basins within Lynwood's treatment plant had been flooded by 5 to 7 feet. The building had approximately 1 foot of water. Storage supplies were destroyed as well as backup systems, generators, lab supplies, etc.

The Disaster Response began at approximately 5:00am Monday (the first moment a vehicle could safely reach the plant) which included all of Lynwood's available staff as well as approximately 15 members of Tenn. Contractors Inc. staff. Personnel from Southern Sales Company were also present Monday morning. Correspondence was taking place with members of: City of Franklin, Williamson County, Heartland Pump Co., Metro Davidson County, Tennessee Department of Environment and Conservation (TDEC), Middle Tennessee Electric Membership Cooperation (MTEMC), and The National Weather Service. Atlas

EXHIBIT JB F-1
9/11

Septic Service, Waste Management, and Sani-tech Jetvac Services were all put on standby.

Partial operation began at 10:30am Monday and power was restored at 12:30pm Monday, the Advanced Treatment processes at Lynwood were restored by 1:00am Tuesday morning. Later Tuesday morning Lynwood began the approximate two week process of cleaning all 13 treatment basins, repairing and cleaning the entire 5 acre site, as well as continuing to address the damage inside the building. Crews were continuing to monitor our pump stations as some of them were operating with no backup systems. Heavy equipment began arriving for the cleanup portion as early as Monday morning.

There appears to be no way (currently) to estimate just how much damage was associated with this event. However, considering disaster response, partial operation, full scale operation, cleanup, long term damage and future preparation to both the plant and the collection system the initial estimate should be in the range of \$500,000.00 plus. Lynwood did have flood insurance and currently has a verbal denial on all claims outside the building. Lynwood has obtained National Fire Adjusters to represent them on some discrepancies to their coverage. Lynwood is also researching the availability of Federal Emergency Management Agency (FEMA) Grants as well as Small Business Administration (SBA) Loans.

Thank you for your time and attention to this matter. Lynwood will be glad to answer any questions that may arise to help expedite financial aid to our business.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Tyler Ring'. To the right of the signature is a smaller, less legible handwritten mark that looks like 'P.R.S.'.

President Lynwood Utility Corporation



HARTFORD INSURANCE CO OF THE MIDWEST
Flood Insurance Processing Center
P.O. Box 2057; Kalispell, MT 59903-2057

EXHIBIT JBf-1
10/11

May 6, 2010

Via UPS Signature Required

Southern Utility Corporation
321 Billingsly Ct Ste 4
Franklin TN 37067
(615) 778-9023

RE: Insured: Southern Utility Corporation
Property add: 180 Cottonwood Lane; Franklin TN
Policy #: 87-04420870-2010
Loss Date: 05/01/2010

Dear Insured:

We are writing this letter with regard to the claim filed for the above-referenced date of loss. Until we can investigate all of the facts, circumstances and covered damages surrounding this claim, it is necessary for us to handle your claim under a Reservation of Rights.

This Reservation of Rights letter is in response to the loss notice of May 3, 2010 for the loss date of May 1, 2010. The reason for executing this request is:

There is a question as to contents coverage being carried on the policy at the time of loss and whether contents coverage can be afforded in regards to the above listed property address as listed on the Flood Policy Declarations.

Any action taken by the Company (Hartford Fire Insurance Company) in investigating that certain loss alleged to have occurred on the 1st day of May 2010, and all facts pertaining thereto, including the cause, loss and damages, shall not in any way change, waive, invalidate, or forfeit any of the terms, conditions and requirements of said policy or any of the rights of either parties hereto under said policy, and in the event any suit has been filed as a result of said loss, should the company elect to defend said suit or participate therein, including participation in discovery and settlement negotiations, said defense or participation therein by it shall not be construed to change, waive, invalidate or forfeit any of the terms and conditions of said policy or any of its rights there under. No act of the Company done by way of said investigation defense or participation shall be construed as an admission of coverage under said policy.

Please be advised that the Company is notifying you of this matter in order to preserve its right to assert against the Insured defense of the Company's Liability under said policy based on the covered damages under the Standard Flood Insurance Policy and circumstances, should the Company subsequently determine that a policy defense would be proper.



HARTFORD INSURANCE CO OF THE MIDWEST
Flood Insurance Processing Center
P.O. Box 2057; Kalispell, MT 59903-2057

EXHIBIT JB F-1
11/11

It is the intention of this notification to permit full investigation of said loss and a defense of any suit brought on account of said loss, should the Company elect to defend or participate therein, without in any way affecting, impairing or waiving any of the rights of either party hereto except that the Insured waives the right to insist that such investigation or defense by the Company shall constitute an admission of liability under said policy.

Please also be advised that upon completion of the full investigation, you will be notified in regards to settlement or any denial of your claim. We are working with the adjusting firm to conclude your claim as expeditiously as possible.

The Standard Flood Insurance Policy is a federal policy under the jurisdiction of the federal government issued pursuant to the National Flood Insurance Act of 1968 and applicable federal regulations in Title 44 of the Code of Federal Regulations, Subchapter B.

If you have any questions, please call me at 800-759-8656.

Waiving none, but reserving all rights and defenses under the policy, we remain.

Sincerely,

Mary Ross-Goodnough

Claims Technical Analyst

Cc: BB & T Insurance
Tennessee Commerce Bank
Bank of America
Simsol Insurance Services
File Copy



LATTIMORE BLACK MORGAN & CAIN, PC
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

Ex. JBF-2

To the Board of Directors
Berry's Chapel Utility, Inc.:

We have audited the balance sheet of Berry's Chapel Utility, Inc. (the "Utility") as of June 30, 2011, and have issued our report thereon dated October 21, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated March 7, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Utility are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2011 fiscal year. We noted no transactions entered into by the Utility during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are:

- fair values allocated to assets acquired and liabilities assumed in the merger of the Utility and Lynnwood Utility Corporation on September 1, 2010
- the reasonableness of depreciable lives for utility plant
- anticipated collection of accounts receivable
- recognition of regulatory assets
- evaluation of the Utility's ability to continue as a going concern and assessment of disclosures of management's plans

We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Additionally, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 21, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Utility's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Utility's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Independence

We are not aware of any relationships between our firm and the Utility that, in our professional judgment, may reasonably be thought to bear on our independence which have occurred during the period from September 1, 2010 (date of merger) through the date of this letter.

Other Matters

During the course of our audit, we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. A summary of our comment and recommendation follows.

Segregation of Duties

Because of limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties, so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

While our audit did not reveal any significant errors or irregularities resulting from this lack of segregation of employee duties and responsibilities, the Board of Directors should monitor the day-to-day operations of the Utility and review the monthly financial statements, including budgeted amounts for revenues and expenses.

This information is intended solely for the use of the Board of Directors and management of the Utility and is not intended to be and should not be used by anyone other than these specified parties.

Lattimore Black Morgan & Cain, P.C.

Brentwood, Tennessee
October 21, 2011

JFB-2

BERRY'S CHAPEL UTILITY, INC.

Financial Statements

June 30, 2011

(With Independent Auditors' Report Thereon)

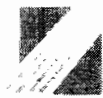


LITTLER, NYE, BLUM, MORGAN & COMPANY, P.C.

BERRY'S CHAPEL UTILITY, INC.

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LATTIMORE BLACK MORGAN & CAIN, PC
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Berry's Chapel Utility, Inc.:

We have audited the accompanying balance sheet of Berry's Chapel Utility, Inc. (the "Utility") as of June 30, 2011. This financial statement is the responsibility of the Utility's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utility's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because we were not engaged to audit the statements of operations and changes in outstanding fund balance and cash flows, we did not extend our auditing procedures to enable us to express an opinion on results of operations and changes in customer fund balance and cash flows for the period from September 1, 2010 (effective date of merger) through June 30, 2011. Accordingly, we express no opinion on them.

In our opinion, the balance sheet referred to in the first paragraph presents fairly, in all material respects, the financial position of Berry's Chapel Utility, Inc. as of June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

The accompanying balance sheet has been prepared assuming that the Utility will continue as a going concern. As discussed in Note 13 to the financial statements, the Company's significant operating losses and capital deficiency at June 30, 2011 raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Lattimore Black Morgan & Cain, P.C.

Brentwood, Tennessee
October 21, 2011

BERRY'S CHAPEL UTILITY, INC.

Balance Sheet

June 30, 2011

Assets

Utility Plant:	
Plant in service	\$ 5,643,792
Construction work in progress	<u>24,974</u>
	5,668,766
Less accumulated depreciation	<u>173,382</u>
	<u>5,495,384</u>
Current assets:	
Cash	29,617
Accounts receivable, less allowance for doubtful accounts of \$5,526	<u>89,042</u>
	<u>118,659</u>
Other assets:	
Regulatory assets	187,447
Other assets	<u>3,000</u>
	<u>190,447</u>
	<u>\$ 5,804,490</u>

Liabilities and Customer Fund Balance

Customer fund balance	\$ 1,648,556
Long-term debt	3,445,812
Current liabilities:	
Current installments of long-term debt	54,068
Lines of credit	249,350
Accounts payable	106,021
Accrued expenses and other current liabilities	<u>300,683</u>
Total current liabilities	<u>710,122</u>
	<u>\$ 5,804,490</u>

See accompanying notes to the financial statements.

BERRY'S CHAPEL UTILITY, INC.

Statement of Operations and Changes in Customer Fund Balance (Unaudited)

Period from September 1, 2010 (date of merger) through June 30, 2011

Operating revenues:	
Sewer fees	\$ 473,816
Penalty charges	<u>6,267</u>
Total operating revenues	<u>480,083</u>
Operating expenses:	
Operations	393,854
Administrative and general	103,538
Taxes, other than income taxes	22,300
Depreciation	<u>173,382</u>
Total operating expenses	<u>693,074</u>
Operating margin (deficit)	(212,991)
Interest expense	<u>(128,190)</u>
Change in fund balance	(341,181)
Customer fund balance acquired in merger with Lynnwood Utility Corporation	1,989,737
Customer fund balance at beginning of period	-
Customer fund balance at end of period	\$ <u>1,648,556</u>

See accompanying notes to the financial statements.

BERRY'S CHAPEL UTILITY, INC.

Statement of Cash Flows (Unaudited)

Period from September 1, 2010 (date of merger) through June 30, 2011

Operating activities:	
Change in net assets	\$ (341,181)
Items not requiring cash:	
Depreciation and amortization	173,382
Bad debt expense	4,289
Changes in operating assets and liabilities, net of merger:	
Accounts receivables	(31,331)
Other assets	(1,797)
Accounts payable	70,021
Accrued expenses and other current liabilities	<u>242,496</u>
Net cash provided by operating activities	<u>115,879</u>
Investing activities:	
Additions to utility plant	(87,666)
Cash acquired in merger	<u>40,556</u>
Net cash used in investing activities	<u>(47,110)</u>
Financing activity - principal payments on long-term debt	<u>(39,152)</u>
Increase in cash	29,617
Cash at beginning of period	<u>-</u>
Cash at end of period	<u>\$ 29,617</u>

See accompanying notes to the financial statements.

BERRY'S CHAPEL UTILITY, INC.

Notes to the Financial Statements

June 30, 2011

(1) Nature of operations

Berry's Chapel Utility, Inc. (the "Utility") was incorporated in July 2010 under Tennessee Law. The Utility's revenues are predominantly earned from providing sewage collection and treatment services to residential and commercial customers in northern Williamson County, Tennessee. The Utility is subject to regulation by the Tennessee Regulatory Authority (the "TRA").

Effective September 1, 2010, the Utility was merged with Lynnwood Utility Corporation ("Lynnwood") and all assets and liabilities of Lynnwood were transferred to the Utility. Upon merger, the Utility recorded the assets acquired and liabilities assumed at their fair values.

(2) Summary of significant accounting policies

(a) Basis of accounting

The Utility uses the cycle billing system and recognizes sewer sales when billed. Accordingly, the Utility does not accrue the unbilled revenue receivable from the dates of the most recent meter readings to the balance sheet date.

Expenses are recognized when they are incurred using the accrual basis.

(b) Utility plant

Utility plant, consisting primarily of utility properties and equipment, are stated at cost, if purchased, or fair value, if contributed. Assets with a useful life of more than one year and a cost of \$300 or more are capitalized. Depreciation is provided over the assets' estimated useful lives using the straight-line method. Pump, collection and treatment equipment are generally depreciated over five to forty years while structures and improvements are depreciated over forty years and transportation equipment is depreciated over five years.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

(c) Receivables and credit policies

Accounts receivable are uncollateralized customer obligations due under normal terms requiring payment within 10 days of the billing date. Late charges on delinquent accounts are recorded if the bill is not paid by the due date. If payment is not received within 30 days of the billing date, the customer's service is discontinued. Bad debts are expensed by the Utility using the allowance method. Revenues are reported net of discounts and allowances. The District's allowance for doubtful accounts was \$5,526 as of June 30, 2011.

BERRY'S CHAPEL UTILITY, INC.

Notes to the Financial Statements

June 30, 2011

(d) Regulatory assets

Under the Utility's current and proposed rate plans for provision of sewer service, the Utility is permitted to recover or defer as regulatory assets (for subsequent recovery through rates) certain costs. Such costs are deferred and expensed as the related revenues are earned from future billings.

(e) Income taxes

The Utility is organized as a Tennessee non-profit organization. Under the current organizational structure, the Utility is a taxable entity for federal and state purposes until a certain threshold of cooperative membership is obtained and the Internal Revenue Service approves the Utility for exempt status. The amount provided for income taxes is based upon the amounts of current and deferred taxes payable or refundable at the date of the financial statements as a result of all events recognized in the financial statements as measured by the provisions of enacted tax laws. The Utility files U.S. Federal income and state of Tennessee excise tax returns.

Under generally accepted accounting principles, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Utility has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

(f) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(g) Events occurring after reporting date

The Utility has evaluated events and transactions that occurred between June 30, 2011 and October 21, 2011, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

BERRY'S CHAPEL UTILITY, INC.

Notes to the Financial Statements

June 30, 2011

(3) Fair values of financial instruments

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). Except for the net assets acquired from the merger of the Utility with Lynnwood on September 1, 2010, the Company does not have any fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2011.

(a) Financial Instruments

The carrying amount of financial instruments, consisting of cash, trade accounts receivable, other current assets, accounts payable, accrued expenses and other current liabilities, and the current installments of long-term debt approximate their fair value due to their relatively short maturities. Long-term debt is carried at amortized cost, which approximates fair value.

(b) Non-Financial Assets

The Utility's non-financial assets, which include utility plant, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur, or if an annual impairment test is required and the Utility is required to evaluate the non-financial instrument for impairment, a resulting asset impairment would require that the non-financial asset be recorded at the fair value. The Utility did not measure any non-recurring, non-financial assets or recognize any amounts in earnings related to changes in fair value for non-financial assets for the year ended June 30, 2011.

(4) Utility plant

A summary of utility plant as of June 30, 2011 is as follows:

Land	\$ 50,000
Structures and improvements	155,580
Pump, collection and treatment equipment	5,380,302
Transportation equipment	<u>57,910</u>
Utility plant in service	5,643,792
Construction in progress	<u>24,974</u>
Total utility plant	\$ <u>5,668,766</u>

BERRY'S CHAPEL UTILITY, INC.

Notes to the Financial Statements

June 30, 2011

(5) Regulatory assets

A summary of regulatory assets at June 30, 2011 is as follows:

Deferred odor control	S	43,963
Deferred flood damage		120,371
Deferred rate case		<u>23,113</u>
	S	<u>187,447</u>

The deferred flood damage and rate case assets are currently pending approval by the TRA and represent managements estimate of the costs that will be approved by the TRA to be recovered through future sewer revenues.

(6) Line of credit

The Utility has a \$250,000 line of credit available with Tennessee Commerce Bank that matures in December 2011. The line of credit bears interest at 6.5% annually. Borrowings under this line were \$249,350 at June 30, 2011. The line of credit is secured by utility plant and guaranteed by two board members of the Utility.

(7) Long-term debt

A summary of long-term debt as of June 30, 2011 and 2010 is as follows:

Notes payable to Tennessee Commerce Bank due in monthly principal and interest payments of \$11,202, including interest at 7.50%, and final payment of the remaining principal totaling approximately \$943,500 in April 2014. Secured by utility plant and guaranteed by two board members of the Utility.

S 1,099,880

Notes payable to two board members due in annual installments of \$50,000 beginning August 31, 2014, plus interest at fixed rates of 2.0% through August 31, 2012, 2.5% from September 1, 2012 through August 31, 2013 and 3.0% from September 1, 2013 through the notes' maturity on August 31, 2030; secured by substantially all assets of the Utility.

2,400,000

Total long-term debt

3,499,880

Less current installments

54,068

Long-term debt, excluding current installments

S 3,445,812

BERRY'S CHAPEL UTILITY, INC.

Notes to the Financial Statements

June 30, 2011

A summary of future maturities of long-term debt as of June 30, 2011 is as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 54,068
2013	56,661
2014	989,151
2015	50,000
2016	50,000
2017 and later years	<u>2,300,000</u>
	<u>\$ 3,499,880</u>

(8) Accrued expenses and other current liabilities

A summary of accrued expenses as of June 30, 2011 is as follows:

Advance from members	\$ 155,113
Accrued interest on notes payable to board members	40,000
Accrued other taxes	19,562
Other current liabilities	<u>86,008</u>
	<u>\$ 300,683</u>

(9) Income taxes

Since the Utility's inception and merger with Lynnwood in September 2010, the Utility has incurred net operating losses ("NOL"). Any resulting deferred tax assets, generated primarily from the NOL have been fully reserved through a valuation allowance due to the uncertainty of the Utility's ability to utilize the federal and state net operating loss carryforwards before they expire.

As of June 30, 2011, the Company has accrued no interest and no penalties related to uncertain tax provisions. The Company is currently open to audit under the statute of limitations by the Internal Revenue Service and the various state authorities for the year ended June 30, 2010.

(10) Contingency

On August 5, 2011, the TRA issued an order in an administrative proceeding in which the TRA concluded that the Utility was subject to the TRA's rate regulation, even though the Utility is a nonprofit corporation which the Utility previously believed exempted it from rate regulation. As a result, the TRA concluded that the Utility's implementation of a \$20.00 per month facility charge for each customer that took effect in November 2010 was not authorized. Such facility charges were suspended in May 2011 and the revenue recognized from the facility fee was fully reserved. The facility charges that were collected were recorded against the flood damage regulatory asset.

BERRY'S CHAPEL UTILITY, INC.

Notes to the Financial Statements

June 30, 2011

(11) Related party transactions

The Utility is governed by a three-member board of directors. Two of these directors were the sole shareholders of Lynnwood prior to the merger with the Utility. Also, one director is the sole shareholder of Tennessee Contractors, Inc., an affiliated company.

The Utility has entered into an agreement with an affiliated entity to provide management services to the Company. Per the terms of the agreement, the affiliate is reimbursed for the amount of actual expenses incurred by the Utility for certain general and administrative expenses including the time of shared office personnel. These fees amounted to \$83,812 in 2011. The Utility also rents office space from a related party member. Rent expense for 2011 under this lease amounted to \$16,667. The expenses incurred during 2011 related to the management services and rent expense are included in the advance to members in accrued expenses.

The Utility receives certain construction related services from Tennessee Contractors, Inc. for maintenance and repair of the Utility's plant. Total services received from this affiliate in 2011 totaled approximately \$143,000, including approximately \$59,000 which was recognized as a component of the regulatory assets.

Accounts payable to Tennessee Contractors, Inc. at June 30, 2011 totaled approximately \$62,000.

(12) Supplemental disclosures of cash flow statement information

Interest paid on long term debt	\$ <u>86,343</u>
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During 2011, net assets totaling \$1,989,737 were acquired by the Utility from Lynnwood in conjunction with the merger of the two entities on September 1, 2010.

(13) Current economic conditions and management's plans for future operations

The current protracted economic decline continues to present utilities with difficult circumstances and challenges, which in some cases have resulted in large declines in collections from customers, constraints on liquidity and difficulty obtaining financing.

Current economic and financial market conditions could adversely affect the Utility's results of operations in future periods and its ability to adjust rates to recover future losses. The current instability in the economy, including the rising unemployment rate, may make it difficult for certain Utility customers to pay for utility services, which could have an adverse impact on the Utility's future operating results.

BERRY'S CHAPEL UTILITY, INC.

Notes to the Financial Statements

June 30, 2011

The Utility has incurred operating losses since its merger with Lynnwood. As a result, management has taken certain measures to increase revenues in order to meet the current obligations of the Utility. Since June 2011, when the Utility became a regulated entity, the Utility has reviewed its operations and worked with the TRA to reset current sewage rates at a level that will allow the Utility to meet its obligations. Because of the operating losses of the Utility and the working capital deficiency as of June 30, 2011, the Utility's continuance as a going concern is dependent upon its ability to increase revenues to reach profitable levels of operation. It is not possible to predict whether the Utility will attain profitable levels of operation.

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets or to meet its liabilities.

3.8 SPECIAL REQUIREMENTS FOR PRIVATE SEWERAGE SYSTEMS

3.8.1 Operating and Maintenance Fund

1. The private sewerage system shall properly operate and maintain the treatment and collection system in accordance with the provisions of this permit and all applicable federal and state regulations and law.
2. The private sewerage system shall levy and collect any assessments needed to provide the funds required to properly operate and maintain the collection and/or treatment system. Funds required to properly operate and maintain the system shall include monies to fund all operation, maintenance, principle and interest of debt service and depreciation. Should the levied assessments fail to provide the required funds, the private sewerage system shall levy additional assessments as necessary.
3. O&M Fund Accounting: The O&M fund shall be separately accounted for in the financial management and accountability of the system. The O&M fund shall exist for the anticipated life of the collection and/or treatment system.
4. O&M Fund Reporting: The private sewerage system shall submit to the division a breakdown of the estimated operation and maintenance costs as specified above along with documentation of the annual assessments to be levied in order to provide the required funds. This information shall be submitted within sixty (60) days of the effective date of this permit or upon request by the division.

U/B MONTH-END RESET JOURNAL

Sewer
EXHIBIT JBF-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WAT PEN BACKFLO	NEW BALANCE

208-00200-04	BRITNELL, RICHARD	0.00	0.00	20.00	0.00	0.00	0.00	
100	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-00800-02	YOUNG, TODD	0.00	0.00	80.00	0.00	0.00	0.00	
104	COTTONWOOD DR LT 3	7.01	0.00	0.00	0.00	0.00	0.00	87.01
208-01600-02	HIKON JR, MAX B	0.00	0.00	20.00	0.00	0.00	0.00	
108	COTTONWOOD DR	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-01800-05	FREEMAN, RICHARD	0.00	0.00	20.00	0.00	0.00	0.00	
109	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-02400-02	MCCOY, MELODY	0.00	0.00	20.00	0.00	0.00	0.00	
203	COTTONWOOD CT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-02600-04	PARKS, MICHELLE	0.00	48.65	0.00	0.00	0.00	0.00	Z
205	COTTONWOOD COURT	0.00	0.00	0.00	0.00	0.00	0.00	48.65
208-02600-05	THOMPSON, MARY BETH	0.00	25.00	20.00	0.00	0.00	0.00	
205	COTTONWOOD COURT	2.50	0.00	0.00	0.00	0.00	0.00	47.50
208-02800-06	HARP, JOEL	0.00	0.00	10.44	0.00	0.00	0.00	
207	COTTONWOOD CRT	0.00	0.00	0.00	0.00	0.00	0.00	10.44
208-03400-01	FLEURY, ROSALYN	0.00	0.00	40.00	0.00	0.00	0.00	
213	COTTONWOOD CT	0.00	0.00	0.00	0.00	0.00	0.00	40.00
208-03600-03	ZARNICK, GREG	0.00	0.00	9.58	0.00	0.00	0.00	
113	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	9.58
208-03800-05	COOK, AUSTIN	0.00	15.00	0.00	0.00	0.00	0.00	Z
115	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	15.00
208-03800-06	RABE, KENDRA	0.00	0.00	16.39	0.00	0.00	0.00	
115	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	16.39
208-04400-02	HAWN, NED	0.00	0.00	80.00	0.00	0.00	0.00	
117	COTTONWOOD DR LT 3	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-04800-01	SNARELY, SYLVIA	0.00	0.00	20.00	0.00	0.00	0.00	
405	WOODHAVEN CT LOT 3	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-05100-03	COOK, CLAIRE	0.00	0.00	20.00	0.00	0.00	0.00	
116	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-05200-04	PUTMAN, ALLEN	0.00	0.00	20.00	0.00	0.00	0.00	
401	WOODHAVEN CT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-05400-01	HUTTO, THOMAS	0.00	0.00	20.00	0.00	0.00	0.00	
118	COTTONWOOD DR LT 2	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-05600-01	BENNETT, ROBERT S	0.00	0.00	80.00	0.00	0.00	0.00	
302	CYPRESS CT LOT 288	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-06000-01	MARTIN, JACOB C	0.00	0.00	80.00	0.00	0.00	0.00	
306	CYPRESS CT LOT 286	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-06200-02	GRISO, HEATH	0.00	0.00	60.00	0.00	0.00	0.00	
308	CYPRESS COURT	0.00	0.00	0.00	0.00	0.00	0.00	60.00
208-06800-02	PETERSON, KYLE	0.00	0.00	20.00	0.00	0.00	0.00	
303	CYPRESS CT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-07600-03	BUCHANAN, SAM IV	0.00	50.10	20.00	0.00	0.00	0.00	
502	GREEN MEADOW DR.	5.01	0.00	0.00	0.00	0.00	0.00	75.11
208-07800-02	BIRCH, CALVIN	0.00	25.00	20.00	0.00	0.00	0.00	
504	GREENMEADOW DR	0.00	0.00	0.00	0.00	0.00	0.00	45.00
208-08000-03	CHURCH, FIRST BAPTIST	0.00	25.00	29.48	0.00	0.00	0.00	
506	GREEN MEADOWS DRIV	0.00	0.00	0.00	0.00	0.00	0.00	54.48
208-08400-03	HILTY, KRISTY	0.00	0.00	0.00	0.00	0.00	0.00	
510	GREEN MEADOW DRIVE	4.67	0.00	0.00	0.00	0.00	0.00	4.67
208-09000-03	PINKSTON, SHANNON	0.00	50.05	40.00	0.00	0.00	0.00	
507	GREENMEADOW DRIVE	5.01	0.00	0.00	0.00	0.00	0.00	95.06

U/B MONTH-END RESET JOURNAL

EXHIBIT JBK-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WAT PEN BACKFLO	NEW BALANCE

208-09400-01	GOODIN, STEVE & DEBRA	0.00	56.79	40.00	0.00	0.00	0.00	
503	GREENMEADOW DR	5.68	0.00	0.00	0.00	0.00	0.00	102.47
208-09600-01	CAMPBELL, NORMA J	0.00	0.00	19.46	0.00	0.00	0.00	
124	COTTONWOOD DR LT 2	0.00	0.00	0.00	0.00	0.00	0.00	19.46
208-09800-05	KNOTTS, MICHAEL	0.00	50.50	41.84	0.00	0.00	0.00	
127	COTTONWOOD DRIVE	5.67	0.00	0.00	0.00	0.00	0.00	98.01
208-10000-04	WHELAN, JAMES	0.00	0.00	60.00	0.00	0.00	0.00	
129	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	60.00
208-10400-01	HORSFALL, RICHARD	0.00	105.21	20.00	0.00	0.00	0.00	
131	COTTONWOOD DR LT 3	10.52	0.00	0.00	0.00	0.00	0.00	135.73
208-10600-02	WOLCZYK, FRANCIS	0.00	0.00	20.00	0.00	0.00	0.00	
600	WILLIAMSBURG DR	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-11600-01	YOUNG, BILL	0.00	0.00	20.00	0.00	0.00	0.00	
605	WILLIAMSBURG DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-11800-02	JAY, CHRISTOPHER M.	0.00	0.00	80.00	0.00	0.00	0.00	
603	WILLIAMSBURG DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-12000-07	BENNETT, MARK	0.00	0.00	60.00	0.00	0.00	0.00	
130	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	60.00
208-12200-01	BABB, DANNY	0.00	0.00	80.00	0.00	0.00	0.00	
133	COTTONWOOD DR LT 3	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-12220-03	MOLPUS, MARTI	0.00	0.00	20.00	0.00	0.00	0.00	
135	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-12400-02	SAVAGE, JAMES A.	0.00	0.00	20.00	0.00	0.00	0.00	
132	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-12800-03	BERVOETS, MIKE	0.00	0.00	23.62	0.00	0.00	0.00	
134	COTTONWOOD DR	0.00	0.00	0.00	0.00	0.00	0.00	23.62
208-13200-07	FULKERSON, JENNIFER	0.00	35.91	40.00	0.00	0.00	0.00	
1011	WHALLEY COURT	3.59	0.00	0.00	0.00	0.00	0.00	79.50
208-13400-04	MCMURRAY, MATT	0.00	0.00	20.00	0.00	0.00	0.00	
1009	WHALLEY COURT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-13600-04	WILLIAMS, MARK & PAMELA	0.00	0.00	60.00	0.00	0.00	0.00	
1007	WHALLEY COURT	0.00	0.00	0.00	0.00	0.00	0.00	60.00
208-14600-02	ZENERINO, BEAT	0.00	0.00	0.00	0.00	0.00	0.00	
138	COTTONWOOD DRIVE	3.26	0.00	0.00	0.00	0.00	0.00	3.26
208-14800-02	FREEMAN, ROBERT	0.00	0.00	40.00	0.00	0.00	0.00	
143	COTTONWOOD DR LT 3	0.00	0.00	0.00	0.00	0.00	0.00	40.00
208-15200-01	REED, ALAN	0.00	0.00	80.00	0.00	0.00	0.00	
140	COTTONWOOD DR LT 2	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-15600-04	SMITH, JAMES T.	0.00	46.21	20.00	0.00	0.00	0.00	
147	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	66.21
208-15800-03	MCKERLEY, LANCE	0.00	0.00	20.00	0.00	0.00	0.00	
144	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-16400-03	REDOVIAN, JIM	0.00	0.00	20.00	0.00	0.00	0.00	
236	COUNTRYSIDE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-16800-02	HAMPTON, CRAIG	0.00	0.00	80.00	0.00	0.00	0.00	
240	COUNTRYSIDE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-17000-02	SCOBAY, ROBERT	0.00	0.00	1.35	0.00	0.00	0.00	
239	COUNTRYSIDE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	1.35
208-17400-03	BEKHTYAR, SORAN	0.00	0.00	6.28	0.00	0.00	0.00	
235	COUNTRYSIDE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	6.28
208-17800-03	ELLIS, MARCUS	0.00	50.00	54.05	0.00	0.00	0.00	
152	COTTONWOOD DRIVE	5.00	0.00	0.00	0.00	0.00	0.00	109.05

EXHIBIT JBF-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WAT PEN BACKFLO	NEW BALANCE

208-18200-01	OSTEEN, JAMES E	0.00	0.00	20.00	0.00	0.00	0.00	
154	COTTONWOOD DR LT 1	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-18600-02	STANLEY, STEVE	0.00	0.00	79.41	0.00	0.00	0.00	
159	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	79.41
208-18800-01	PRICE, C. DAVID	0.00	0.00	80.00	0.00	0.00	0.00	
161	COTTONWOOD DR LT 1	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-19200-01	OELTMANN, THOMAS	0.00	0.00	60.90	0.00	0.00	0.00	
158	COTTONWOOD DR LT 1	0.00	0.00	0.00	0.00	0.00	0.00	60.90
208-19400-01	ROACH, RUS	0.00	0.60	20.00	0.00	0.00	0.00	
102	GILLETTE DR LT 145	0.00	0.00	0.00	0.00	0.00	0.00	20.60
208-19800-05	CHRISTIANSEN, TINA	0.00	0.00	80.00	0.00	0.00	0.00	
1202	GILLETTE COURT	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-20000-04	KIRK, C.S.	0.00	0.00	20.00	0.00	0.00	0.00	
1204	GILLETTE COURT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-21800-01	PITCHER, GARY	0.00	0.00	40.00	0.00	0.00	0.00	
109	GILLETTE DR LOT 13	0.00	0.00	0.00	0.00	0.00	0.00	40.00
208-22000-02	CAUSEY, WAYNE	0.00	0.00	20.00	0.00	0.00	0.00	
107	GILLETTE DRIVE	3.17	0.00	0.00	0.00	0.00	0.00	23.17
208-22800-03	VARDEN, LESLIE & LANCE	0.00	0.00	20.00	0.00	0.00	0.00	
163	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-23000-02	SMITH, BRIAN	0.00	0.00	20.00	0.00	0.00	0.00	
165	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-23200-04	O'LANNERGHTY, BRIDGETT	0.00	33.40	20.00	0.00	0.00	0.00	
162	COTTONWOOD DRIVE	3.34	0.00	0.00	0.00	0.00	0.00	56.74
208-23400-02	KIENLE, KRISTIN	0.00	0.00	22.77	0.00	0.00	0.00	
164	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	22.77
208-23800-01	WURZEL, STEPHEN	0.00	0.00	20.00	0.00	0.00	0.00	
169	COTTONWOOD DR LT 1	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-24200-01	EZELL, JAMES D	0.00	0.00	80.00	0.00	0.00	0.00	
171	COTTONWOOD DR LT 1	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-24600-03	DUNAVAN, JOHN	0.00	0.00	40.49	0.00	0.00	0.00	
170	COTTONWOOD LANE	0.00	0.00	0.00	0.00	0.00	0.00	40.49
208-24800-01	TUBERTY, GARY	0.00	31.73	36.85	0.00	0.00	0.00	
172	COTTONWOOD DR LT 1	3.17	0.00	0.00	0.00	0.00	0.00	71.75
208-25200-06	CYPERT, ELISHA	0.00	57.62	20.00	0.00	0.00	0.00	
174	COTTONWOOD DRIVE	5.76	0.00	0.00	0.00	0.00	0.00	83.38
208-25800-04	HEILEMAN, STEVE	0.00	25.00	24.05	0.00	0.00	0.00	
178	COTTONWOOD DRIVE	2.50	0.00	0.00	0.00	0.00	0.00	51.55
208-26090-01	HOMEOWNERS, COTTONWOOD	0.00	15.06	20.00	0.00	0.00	0.00	
180	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	35.06
208-27000-02	RUNYEON, RICHARD & LEEANN	0.00	0.00	20.00	0.00	0.00	0.00	
1511	COUNTRY CLUB CT.	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-27200-02	STEINFORTH, PATTI	0.00	0.00	80.00	0.00	0.00	0.00	
1509	COUNTRY CLUB CRT	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-27400-02	WATSON, BUZ & LAURA	0.00	0.00	40.00	0.00	0.00	0.00	
1507	COUNTRY CLUB PL	0.00	0.00	0.00	0.00	0.00	0.00	40.00
208-27600-01	CAMPBELL, DOUGLAS BARRY	0.00	0.00	20.00	0.00	0.00	0.00	
1505	CNTRY CLUB CT LT18	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-27800-03	DAY, ROGER T.	0.00	0.00	80.00	0.00	0.00	0.00	
1503	COUNTRY CLUB DR	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-28200-04	STEWART, AL & MELANIE	0.00	0.00	20.00	0.00	0.00	0.00	
188	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00

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EXHIBIT JBF-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WAT PEN BACKFLO	NEW BALANCE

208-28400-02	BURGESS, MARK S.	0.00	47.12	80.00	0.00	0.00	0.00	
190	COTTONWOOD DR	4.26	0.00	0.00	0.00	0.00	0.00	131.38
208-29000-01	PROCTOR, PHILLIP M	0.00	0.00	20.00	0.00	0.00	0.00	
185	COTTONWOOD DR LT 1	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-29600-03	STAHL, PAM & CRAIG	0.00	0.00	20.00	0.00	0.00	0.00	
198	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-29800-04	HOLZAPFEL, JOHN	0.00	0.00	40.00	0.00	0.00	0.00	
189	COTTONWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	40.00
208-30400-05	AXFORD, ELLIE	0.00	0.00	20.00	0.00	0.00	0.00	
156	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-30600-01	CALDWELL, BILL	0.00	0.00	20.00	0.00	0.00	0.00	
173	COTTONWOOD DR LT 1	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-30800-05	TAYLOR, RICHARD & JULIE	0.00	0.00	20.00	0.00	0.00	0.00	
1302	GLADE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-31000-01	SMITH JR, RICHARD W	0.00	0.00	20.00	0.00	0.00	0.00	
1304	GLADE DR	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-31400-01	HARSHMAN, VON A	0.00	0.00	40.00	0.00	0.00	0.00	
1308	GLADE DR LT 177	0.00	0.00	0.00	0.00	0.00	0.00	40.00
208-31600-06	MCLAIN, ROD & SHANA	0.00	0.00	60.00	0.00	0.00	0.00	
1310	GLADE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	60.00
208-31800-02	MCWATERS, TOM	0.00	0.00	11.69	0.00	0.00	0.00	
1312	GLADE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	11.69
208-32000-02	LEININGER, MARI	0.00	149.97	40.00	0.00	0.00	0.00	
1314	GLADE DR LT 174	15.00	0.00	0.00	0.00	0.00	0.00	204.97
208-32400-03	WILLIAMS, DAVID	0.00	0.00	20.00	0.00	0.00	0.00	
1318	GLADE DR LT 172	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-32600-03	PEABODY, RICHARD F.	0.00	26.72	20.00	0.00	0.00	0.00	
1317	GLADE DRIVE	2.67	0.00	0.00	0.00	0.00	0.00	49.39
208-32800-02	BROWN, LISA PATTON	0.00	0.00	20.00	0.00	0.00	0.00	
1315	GLADE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-33000-05	ROBBINS, TODD & TERRY	0.00	0.00	80.00	0.00	0.00	0.00	
1311	GLADE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-33600-03	DONEGAN, TIM & JONI	0.00	0.00	20.00	0.00	0.00	0.00	
1404	GLADE COURT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-33800-01	SPEED, FLORENCE	0.00	4.96	20.00	0.00	0.00	0.00	
1406	GLADE CT	0.50	0.00	0.00	0.00	0.00	0.00	25.46
208-34000-02	O'BRIEN, KELLEY	0.00	111.89	40.00	0.00	0.00	0.00	
1407	GLADE COURT	11.19	0.00	0.00	0.00	0.00	0.00	163.08
208-34200-01	ELMORE, RONALD G	0.00	0.00	60.00	0.00	0.00	0.00	
1405	GLADE CT LT 163	0.00	0.00	0.00	0.00	0.00	0.00	60.00
208-34400-04	PERRIN, CARLA W.	0.00	0.00	80.00	0.00	0.00	0.00	
1403	GLADE COURT	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-34800-01	GIRTMAN, CHARLES	0.00	0.00	20.00	0.00	0.00	0.00	
1305	GLADE DR LOT 160	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-35000-02	COVINGTON, DENNIS	0.00	0.00	40.00	0.00	0.00	0.00	
1303	GLADE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	40.00
208-35200-02	POPE, MATTHEW & LISHA	0.00	96.03	20.00	0.00	0.00	0.00	
151	COTTONWOOD DRIVE	9.60	0.00	0.00	0.00	0.00	0.00	125.63
208-35400-02	BRONAUGH, JAMES	0.00	0.00	20.00	0.00	0.00	0.00	
232	COUNTRYSIDE DRIVE	8.60	0.00	0.00	0.00	0.00	0.00	28.60
208-35600-03	CLINTON, STEPHEN	0.00	0.00	80.00	0.00	0.00	0.00	
231	COUNTRYSIDE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00

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EXHIBIT JBF-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WAT PEN BACKFLO	NEW BALANCE

208-36000-03	KERR, BRAD & STEPHANIE	0.00	0.00	80.00	0.00	0.00	0.00	
229	COUNTRYSIDE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-36200-04	NATSCH, CINDY	0.00	0.00	0.00	0.00	0.00	0.00	
228	COUNTRYSIDE DRIVE	4.18	0.00	0.00	0.00	0.00	0.00	4.18
208-36400-01	PETERSON, MARK	0.00	0.00	80.00	0.00	0.00	0.00	
226	COUNTRYSIDE DR	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-37000-04	JOHNSTON, LESLIE	0.00	0.00	80.00	0.00	0.00	0.00	
1105	GREENLEAF WAY	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-37200-01	POAG, PEGGY O.	0.00	0.00	80.00	0.00	0.00	0.00	
1107	GREENLEAF CT LT 23	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-37400-01	COYLE, MATTHEW	0.00	35.59	40.00	0.00	0.00	0.00	
1109	GREENLEAF CT LT 23	2.50	0.00	0.00	0.00	0.00	0.00	78.09
208-37600-04	WELLONS, WILLIAM	0.00	0.00	20.00	0.00	0.00	0.00	
1111	GREENLEAF WAY	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-38000-01	DUKE, JOHN A	0.00	0.00	40.00	0.00	0.00	0.00	
222	COUNTRYSIDE DR	0.00	0.00	0.00	0.00	0.00	0.00	40.00
208-38200-04	PERDUE, DAVID	0.00	30.03	40.00	0.00	0.00	0.00	
223	COUNTRYSIDE DRIVE	6.26	0.00	0.00	0.00	0.00	0.00	76.29
208-39000-01	HAYES, RANDALL KEITH	0.00	0.00	80.00	0.00	0.00	0.00	
218	COUNTRYSIDE DR	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-39600-01	HARDWICK, WILLIAM H	0.00	0.00	80.00	0.00	0.00	0.00	
215	COUNTRYSIDE DR	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-39800-02	KUIVINEN, DARRELL	0.00	95.19	20.00	0.00	0.00	0.00	
214	COUNTRYSIDE DRIVE	15.95	0.00	0.00	0.00	0.00	0.00	131.14
208-40000-04	ROBERTS, JANA	0.00	0.00	20.00	0.00	0.00	0.00	
212	COUNTRYSIDE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-40200-02	JR., ROBERT J. FLOWERS,	0.00	4.05-	0.00	0.00	0.00	0.00	
213	COUNTRYSIDE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	4.05-
208-40400-01	BAGGETT, GLEN	0.00	0.00	40.00	0.00	0.00	0.00	
211	COUNTRYSIDE DR	0.00	0.00	0.00	0.00	0.00	0.00	40.00
208-41400-02	POWELL, SHANNON	0.00	0.00	20.00	0.00	0.00	0.00	
206	COUNTRYSIDE DR	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-41600-02	SOUTHERLAND, JIM	0.00	0.00	20.00	0.00	0.00	0.00	
204	COUNTRYSIDE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-42200-04	TURNER, LISA	0.00	0.00	20.00	0.00	0.00	0.00	
200	COUNTRYSIDE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-42250-04	PHELPS, BRYAN & ANGELA	0.00	0.00	20.00	0.00	0.00	0.00	
135	COTTONWOOD CIRCLE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-43000-02	FLY, JULIE & MARK	0.00	0.00	20.00	0.00	0.00	0.00	
126	COTTONWOOD CIRCLE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-43200-04	BANNER, LARRY	0.00	0.00	80.00	0.00	0.00	0.00	
131	COTTONWOOD CIRCLE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-43400-01	LYNCH, JOHN	0.00	0.00	20.00	0.00	0.00	0.00	
129	COTTONWOOD CR	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-43800-02	POPE, WAYNE	0.00	40.08	20.00	0.00	0.00	0.00	
127	COTTONWOOD CIR.	4.01	0.00	0.00	0.00	0.00	0.00	64.09
208-44000-03	ROBINSON, JAMES E.	0.00	0.00	8.72	0.00	0.00	0.00	
122	COTTONWOOD CIRCLE	0.00	0.00	0.00	0.00	0.00	0.00	8.72
208-44200-03	ROTHROCK, DUSTY	0.00	0.00	20.00	0.00	0.00	0.00	
125	COTTONWOOD CIRCLE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-44400-04	SMITH, TIMOTHY J.	0.00	25.00	20.00	0.00	0.00	0.00	
123	COTTONWOOD CIRCLE	2.50	0.00	0.00	0.00	0.00	0.00	47.50

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EXHIBIT JB F-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WAT PEN BACKFLO	NEW BALANCE

208-45600-02	MYATT, JAMIE & TREY	0.00	0.00	9.00	0.00	0.00	0.00	
906	HAWTHORNE CT LT 3	5.85	0.00	0.00	0.00	0.00	0.00	14.85
208-46000-04	PHILLIPS, TRACI	0.00	0.00	60.00	0.00	0.00	0.00	
905	HAWTHORNE CT	0.00	0.00	0.00	0.00	0.00	0.00	60.00
208-46400-01	HUNDT, VICTOR	0.00	0.00	80.00	0.00	0.00	0.00	
119	COTTONWOOD CR LT 3	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-46600-03	BROWN, CINDY	0.00	0.00	20.00	0.00	0.00	0.00	
116	COTTONWOOD CIRCLE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-46800-02	SECHSER, DONALD	0.00	0.00	20.00	0.00	0.00	0.00	
117	COTTONWOOD CIRCLE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-47200-02	CLARKE, MAUREEN	0.00	0.00	40.00	0.00	0.00	0.00	
115	COTTONWOOD CIR	0.00	0.00	0.00	0.00	0.00	0.00	40.00
208-47400-01	JOHNSON, DAVID K	0.00	0.00	80.00	0.00	0.00	0.00	
113	COTTONWOOD CR LT 3	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-47600-03	COYLE, CHRIS & BROOKE	0.00	88.65	40.00	0.00	0.00	0.00	
112	COTTONWOOD CIR	8.86	0.00	0.00	0.00	0.00	0.00	137.51
208-48000-02	MURRAY, HUNTER	0.00	0.00	20.00	0.00	0.00	0.00	
111	COTTONWOOD CIRCLE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-48200-01	McWHORTER, LINDA B	0.00	0.00	80.00	0.00	0.00	0.00	
109	COTTONWOOD CIR.	0.00	0.00	0.00	0.00	0.00	0.00	80.00
208-48800-02	CASTLE, LEON W.	0.00	225.45	80.00	0.00	0.00	0.00	
805	SHADY GLENN CT	22.55	0.00	0.00	0.00	0.00	0.00	328.00
208-49000-04	SPARER, LAURA	0.00	0.00	20.00	0.00	0.00	0.00	
803	SHADY GLEN COURT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-49200-02	ZINN, DAVID	0.00	0.00	20.00	0.00	0.00	0.00	
801	SHADY GLEN CT LT 3	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-49400-03	HARRISON, LESLEY	0.00	32.88	20.00	0.00	0.00	0.00	
703	SHADY GLEN	0.00	0.00	0.00	0.00	0.00	0.00	52.88
208-49800-02	FRANCIS, MILTON	0.00	0.00	20.00	0.00	0.00	0.00	
707	SHADY GLEN CRT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-50000-03	CRESS, DAN	0.00	0.00	20.00	0.00	0.00	0.00	
709	SHADY GLEN COURT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
208-50200-03	KELLY, J.K.	0.00	156.16	60.00	0.00	0.00	0.00	
107	COTTONWOOD CIRCLE	15.62	0.00	0.00	0.00	0.00	0.00	231.78
208-50800-01	FEINSTEIN, DANYA	0.00	0.00	20.00	0.00	0.00	0.00	
102	COTTONWOOD CR	0.00	0.00	0.00	0.00	0.00	0.00	20.00
* BOOK TOTALS *								
		0.00	1908.50	5326.37	0.00	0.00	0.00	
		215.96	0.00	0.00	0.00	0.00	0.00	7450.83
0 ACCOUNTS WITH ZERO BALANCE*								
209-00020-03	COST, JEFFREY & SARA	0.00	0.00	20.00	0.00	0.00	0.00	
408	COTTON LANE	8.68	0.00	0.00	0.00	0.00	0.00	28.68
209-00040-02	COTTON, KIM	0.00	62.63	20.00	0.00	0.00	0.00	
406	COTTON ROAD	11.52	0.00	0.00	0.00	0.00	0.00	94.15
209-00060-01	PRITCHETT, JIMMY	0.00	60.40	40.00	0.00	0.00	0.00	
404	COTTON ROAD	10.18	0.00	0.00	0.00	0.00	0.00	110.58
209-00080-03	WEBB, MIKE	0.00	0.00	20.00	0.00	0.00	0.00	
402	COTTON LANE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-00140-03	ALLEN, LISA	0.00	0.00	40.00	0.00	0.00	0.00	
102	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	40.00
209-00240-02	CLARK, MEG	0.00	0.00	12.59	0.00	0.00	0.00	

U/B MONTH-END RESET JOURNAL

EXHIBIT JBF-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WAT PEN BACKFLO	NEW BALANCE

107	RIVERWOOD LOT 8	0.00	0.00	0.00	0.00	0.00	0.00	12.59
209-00360-01	RAMON, PAUL S	0.00	0.00	20.00	0.00	0.00	0.00	
106	RIVERWOOD DR LT 43	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-00420-02	SHIPLEY, STEVE & SUSAN	0.00	0.00	40.00	0.00	0.00	0.00	
202	HEATHER DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	40.00
209-00440-01	FULGHUM, ROBERT	0.00	0.00	20.00	0.00	0.00	0.00	
203	HEATHER DR LOT 408	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-00460-03	GREEN, JASON & CATHY	0.00	1.81	40.00	0.00	0.00	0.00	
204	HEATHER DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	41.81
209-00620-01	OSBURN, MARK	0.00	0.00	20.00	0.00	0.00	0.00	
308	HEATHER CT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-00640-02	GREENEBAWM, JOHN	0.00	0.00	20.00	0.00	0.00	0.00	
307	HEATHER COURT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-00660-04	THORNE, LARRY & CAROL	0.00	0.00	20.00	0.00	0.00	0.00	
305	HEATHER COURT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-00720-03	FERGUSON, KELLY	0.00	0.00	20.00	0.00	0.00	0.00	
207	HEATHER DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-00740-02	JOHNSON, SCOTT	0.00	67.93	40.00	0.00	0.00	0.00	
208	HEATHER DR	10.44	0.00	0.00	0.00	0.00	0.00	118.37
209-00760-01	PRIESTER, JOE	0.00	63.82	20.00	0.00	0.00	0.00	
209	HEATHER DRIVE	6.38	0.00	0.00	0.00	0.00	0.00	90.20
209-00820-04	AREND, MELISSA	0.00	0.00	60.00	0.00	0.00	0.00	
211	HEATHER DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	60.00
209-00840-03	RUTH, BOBBY & CATHRYN	0.00	0.00	80.00	0.00	0.00	0.00	
212	HEATHER DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-00860-06	ACREE, GLENN	0.00	0.00	80.00	0.00	0.00	0.00	
213	HEATHER DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-00880-03	OLSON, MARLEI	0.00	46.22	0.00	0.00	0.00	0.00	
214	HEATHER DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	46.22
209-00940-02	MORSE, ANN M	0.00	0.00	20.00	0.00	0.00	0.00	
216	HEATHER DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01020-04	BRUNS, NATE	0.00	55.95	20.00	0.00	0.00	0.00	
219	HEATHER DRIVE	5.60	0.00	0.00	0.00	0.00	0.00	81.55
209-01040-01	BELKOM, ANTHONY J VAN	0.00	0.00	20.00	0.00	0.00	0.00	
217	HEATHER DR LOT 415	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01080-03	WADZINSKI, BRIAN E.	0.00	0.00	10.30	0.00	0.00	0.00	
111	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	10.30
209-01120-01	GERDES, JOHN T	0.00	0.00	20.00	0.00	0.00	0.00	
110	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01140-01	WOOLSEY, SAMUEL P.	0.00	0.00	20.00	0.00	0.00	0.00	
113	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01160-03	BANTA, JEFF	0.00	0.00	40.00	0.00	0.00	0.00	
112	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	40.00
209-01240-02	MCNAMARA, STEVE	0.00	0.00	20.00	0.00	0.00	0.00	
116	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01260-01	RHODES, CAROL	0.00	0.00	59.55	0.00	0.00	0.00	
118	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	59.55
209-01340-05	TATTERSFIELD, MARJORIE	0.00	0.00	20.00	0.00	0.00	0.00	
502	ARBOR DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01360-02	WITT, WENDELL & CHRISTY	0.00	50.94	20.00	0.00	0.00	0.00	
505	ARBOR DRIVE	5.09	0.00	0.00	0.00	0.00	0.00	76.03
209-01380-02	ALDERMAN, JIM	0.00	0.00	20.00	0.00	0.00	0.00	

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U/B MONTH-END RESET JOURNAL

EXHIBIT JBF-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WAT PEN BACKFLO	NEW BALANCE

504	ARBOR DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01440-02	CILIMBERG, M. CRAIG	0.00	0.00	80.00	0.00	0.00	0.00	
506	ARBOR DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-01460-03	OGLE, ROBERT W.	0.00	0.00	80.00	0.00	0.00	0.00	
508	ARBOR DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-01480-04	WRIGHT, LEIGH & CHRIS	0.00	0.00	20.00	0.00	0.00	0.00	
509	ARBOR DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01520-02	ZEITLIN, BENJAMIN D.	0.00	0.00	20.00	0.00	0.00	0.00	
510	ARBOR DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01540-02	MULVIHILL, MIKE & PAULA	0.00	0.00	80.00	0.00	0.00	0.00	
512	ARBOR DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-01560-01	JOHNSTON, DIANE F	0.00	32.92	40.00	0.00	0.00	0.00	
511	ARBOR DR	5.00	0.00	0.00	0.00	0.00	0.00	77.92
209-01580-04	MOORE, JOHN & KELLEY	0.00	0.00	21.40	0.00	0.00	0.00	
513	ARBOR DRIVE	7.35	0.00	0.00	0.00	0.00	0.00	28.75
209-01620-07	DOYLE, MR & MRS RYAN C	0.00	15.00	0.00	0.00	0.00	0.00	
515	ARBOR DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	15.00
209-01620-08	KING, REAGAN	0.00	0.00	60.00	0.00	0.00	0.00	
515	ARBOR DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	60.00
209-01640-02	GRUMMON, ROBERT A.	0.00	0.00	20.00	0.00	0.00	0.00	
516	ARBOR DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01720-04	CROWTHER, BRADFORD	0.00	0.00	60.00	0.00	0.00	0.00	
500	ARBOR DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	60.00
209-01760-04	PETERSON, DAVID	0.00	0.00	20.00	0.00	0.00	0.00	
121	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01880-02	SCHNEIDER, BARTON B.	0.00	60.96	20.00	0.00	0.00	0.00	
124	RIVERWOOD DRIVE	6.10	0.00	0.00	0.00	0.00	0.00	87.06
209-01940-02	GAVIGAN, ROBERT & TRACY	0.00	0.00	20.00	0.00	0.00	0.00	
126	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-01960-05	REINHARDT, CHARLES	0.00	0.00	80.00	0.00	0.00	0.00	
601	COUNTRYSIDE COURT	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-01980-04	FORREST, BEN	0.00	0.00	20.00	0.00	0.00	0.00	
603	COUNTRYSIDE COURT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-02060-03	O'DONNELL, ERIN & BRAD	0.00	0.00	20.00	0.00	0.00	0.00	
604	COUNTRYSIDE COURT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-02080-02	ADAMS, MANDY LOWERY	0.00	15.83	20.00	0.00	0.00	0.00	
606	COUNTRYSIDE CT	1.58	0.00	0.00	0.00	0.00	0.00	37.41
209-02120-01	LOWRY, MRS. ROBERT N.	0.00	0.00	80.00	0.00	0.00	0.00	
608	COUNTRYSIDE CT LT	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-02140-03	SOLSVIG, KEITH	0.00	31.73	20.00	0.00	0.00	0.00	
609	COUNTRYSIDE COURT	3.23	0.00	0.00	0.00	0.00	0.00	54.96
209-02160-04	MINUCCI, STEVE	0.00	0.00	20.00	0.00	0.00	0.00	
607	COUNTRYSIDE COURT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-02180-02	KIRBY, EMILY	0.00	0.00	40.00	0.00	0.00	0.00	
127	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	40.00
209-02220-02	FOSHUEE, WILLIAM & MELISA	0.00	91.00	40.00	0.00	0.00	0.00	
129	RIVERWOOD DR. #46	9.10	0.00	0.00	0.00	0.00	0.00	140.10
209-02240-01	WATKINS, JACK	0.00	0.00	60.00	0.00	0.00	0.00	
132	RIVERWOOD DR LT 22	0.00	0.00	0.00	0.00	0.00	0.00	60.00
209-02260-03	CARTER, JAMES	0.00	0.00	40.00	0.00	0.00	0.00	
131	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	40.00
209-02280-03	HAYES, JOHN	0.00	0.00	20.00	0.00	0.00	0.00	

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U/B MONTH-END RESET JOURNAL

EXHIBIT JB F-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WAT PEN BACKFLO	NEW BALANCE

134	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-02330-02	HAMILTON, MADONNA	0.00	62.55	40.00	0.00	0.00	0.00	
133	RIVERWOOD DRIVE	8.60	0.00	0.00	0.00	0.00	0.00	111.15
209-02360-01	MAJORS, DAN	0.00	0.00	17.11	0.00	0.00	0.00	
136	RIVERWOOD DR LT 22	0.00	0.00	0.00	0.00	0.00	0.00	17.11
209-02440-02	HUTCHINS, MICHAEL	0.00	0.00	20.00	0.00	0.00	0.00	
705	MOCKINGBIRD DR	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-02520-02	JOYCE, SARAH	0.00	0.00	20.00	0.00	0.00	0.00	
706	MOCKINGBIRD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-02580-01	FEICK, DAVID	0.00	0.00	20.00	0.00	0.00	0.00	
711	MOCKINGBIRD DR	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-02640-01	EVERETT, JULIA C.	0.00	0.00	80.00	0.00	0.00	0.00	
712	MOCKINGBIRD DR	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-02660-02	JEAN, KENNETH & LAURA	0.00	0.00	0.00	0.00	0.00	0.00	
710	MOCKINGBIRD LANE	3.26	0.00	0.00	0.00	0.00	0.00	3.26
209-02680-01	MAYNARD, KEN	0.00	0.00	40.00	0.00	0.00	0.00	
135	RIVERWOOD DR LOT	0.00	0.00	0.00	0.00	0.00	0.00	40.00
209-02720-03	SULLENGER, ERIC	0.00	0.00	40.00	0.00	0.00	0.00	
137	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	40.00
209-02760-01	DIXON, DAVID P	0.00	0.00	20.00	0.00	0.00	0.00	
140	RIVERWOOD DR	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-02780-03	OFFICER, TODD	0.00	20.00	40.00	0.00	0.00	0.00	
141	RIVERWOOD LOT 52	0.00	0.00	0.00	0.00	0.00	0.00	60.00
209-02820-01	RODRIGUEZ, GINES I	0.00	0.00	80.00	0.00	0.00	0.00	
142	RIVERWOOD DR LT 20	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-02860-03	CHANDLER, JEFF	0.00	73.53	40.00	0.00	0.00	0.00	
144	RIVERWOOD DRIVE	10.10	0.00	0.00	0.00	0.00	0.00	123.63
209-02920-01	SMITH, DON S	0.00	0.00	21.41	0.00	0.00	0.00	
146	RIVERWOOD DR LT 20	0.00	0.00	0.00	0.00	0.00	0.00	21.41
209-02960-01	ROOS, DON	0.00	0.00	80.00	0.00	0.00	0.00	
148	RIVERWOOD DR LT 20	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-02980-03	MANNING, CECELIA	0.00	0.00	20.00	0.00	0.00	0.00	
149	RIVERWOOD DR	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-03020-02	ERICSON, GREG & MELISSA	0.00	0.00	20.00	0.00	0.00	0.00	
150	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-03080-01	GAITHERS, HENRY	0.00	0.00	20.00	0.00	0.00	0.00	
813	EDGEWOOD CT LT 197	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-03120-05	TANLEY, LUTHER & TAMARA	0.00	0.00	60.00	0.00	0.00	0.00	
152	RIVERWOOD	0.00	0.00	0.00	0.00	0.00	0.00	60.00
209-03140-02	SIMS, RICHARD C.	0.00	0.01	40.00	0.00	0.00	0.00	
811	EDGEWOOD COURT	0.00	0.00	0.00	0.00	0.00	0.00	40.01
209-03160-01	MADEN, JAMES F	0.00	0.00	20.00	0.00	0.00	0.00	
803	EDGEWOOD CT LOT 20	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-03260-04	HULL, LANDON & AMY	0.00	68.47	20.00	0.00	0.00	0.00	
155	RIVERWOOD DRIVE	6.85	0.00	0.00	0.00	0.00	0.00	95.32
209-03280-12	BACA, KEITH	0.00	0.00	20.00	0.00	0.00	0.00	
157	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-03340-02	WILK, THOMAS	0.00	0.00	20.00	0.00	0.00	0.00	
161	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-03420-01	ROBINSON, WILLIAM	0.00	0.00	20.00	0.00	0.00	0.00	
160	RIVERWOOD DR LOT 1	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-03440-01	STAMPS, WILLIAM	0.00	0.00	80.00	0.00	0.00	0.00	

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EXHIBIT JBF-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WATER BACKFLO	NEW BALANCE
167	RIVERWOOD DR LOT 6	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-03460-01	WILLIAMS, RONNY A	0.00	0.00	20.00	0.00	0.00	0.00	
162	RIVERWOOD DR LOT 1	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-03540-10	ANDERSON, JAMES	0.00	45.83	40.00	0.00	0.00	0.00	
171	RIVERWOOD DR.	0.00	0.00	0.00	0.00	0.00	0.00	85.83
209-03560-01	HAMBURG, GARY N	0.00	29.35	20.00	0.00	0.00	0.00	
166	RIVERWOOD DR LOT 10	0.00	0.00	0.00	0.00	0.00	0.00	49.35
209-03620-03	WALKER, STEVEN	0.00	34.02	40.00	0.00	0.00	0.00	
168	RIVERWOOD DRIVE	6.02	0.00	0.00	0.00	0.00	0.00	80.04
209-03680-03	FLEET, DAVID & MONTEREY	0.00	0.00	80.00	0.00	0.00	0.00	
170	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-03740-01	PARKES, JOE JR.	0.00	0.00	20.00	0.00	0.00	0.00	
903	RIVERWOOD CT LOT 3	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-03780-02	PAUL, BARRY	0.00	0.00	80.00	0.00	0.00	0.00	
905	RIVERWOOD COURT	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-03820-01	SEYFRED, MARK	0.00	0.00	20.00	0.00	0.00	0.00	
904	RIVERWOOD CT LOT 1	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-03830-01	KAISER, JAMES	0.00	0.00	80.00	0.00	0.00	0.00	
907	RIVERWOOD CT	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-03850-03	STROUD, ROBERT	0.00	54.28	20.00	0.00	0.00	0.00	
908	RIVERWOOD CT	5.43	0.00	0.00	0.00	0.00	0.00	79.71
209-03870-01	BARRETT, DONALD R	0.00	0.00	80.00	0.00	0.00	0.00	
909	RIVERWOOD CT	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-03880-02	SLINGER, JOHN	0.00	0.00	80.00	0.00	0.00	0.00	
906	RIVERWOOD COURT	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-03920-01	MOSTELLER, WILLIAM	0.00	0.00	40.00	0.00	0.00	0.00	
179	RIVERWOOD DR	0.00	0.00	0.00	0.00	0.00	0.00	40.00
209-03940-03	ARMSTRONG, LESLIE	0.00	0.00	20.00	0.00	0.00	0.00	
181	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-03950-01	SUTTON, CARL	0.00	0.00	80.00	0.00	0.00	0.00	
174	RIVERWOOD DR LOT 9	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-03990-02	STATZ, DAVID	0.00	0.00	20.00	0.00	0.00	0.00	
176	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-04000-02	DUNFORD, RAY	0.00	26.92	60.00	0.00	0.00	0.00	
185	RIVERWOOD DR	0.00	0.00	0.00	0.00	0.00	0.00	86.92
209-04050-04	BRYANT, SANDY	0.00	80.76	40.00	0.00	0.00	0.00	
178	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	120.76
209-04070-02	FOWLER, SCOTT & ASHLEY	0.00	0.00	20.00	0.00	0.00	0.00	
187	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-04130-01	THOMAS, FRANK	0.00	0.00	20.00	0.00	0.00	0.00	
191	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-04180-02	KLAUSNER, HOWARD	0.00	116.74	20.00	0.00	0.00	0.00	
1005	RIVERWOOD PL LT78	13.11	0.00	0.00	0.00	0.00	0.00	149.85
209-04220-04	STANLEY, JOAN	0.00	28.39	20.00	0.00	0.00	0.00	
1003	RIVERWOOD PL	2.84	0.00	0.00	0.00	0.00	0.00	51.23
209-04260-02	DAVIS, JENNIFER	0.00	0.00	20.00	0.00	0.00	0.00	
1001	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-04280-04	HARRIS, ANN	0.00	0.00	60.00	0.00	0.00	0.00	
184	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	60.00
209-04320-01	CRANE, DAVID	0.00	0.00	80.00	0.00	0.00	0.00	
195	RIVERWOOD DR	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-04340-02	BYINGTON, STEVE	0.00	0.00	20.00	0.00	0.00	0.00	

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EXHIBIT JB-F-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WAT PEN BACKFLO	NEW BALANCE
197	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-04360-04	LUCKETT, CARLA	0.00	15.84	20.00	0.00	0.00	0.00	Z
186	RIVERWOOD DR	0.00	0.00	0.00	0.00	0.00	0.00	35.84
209-04360-05	WYND, BEN & REBECCA	0.00	50.94	32.88	0.00	0.00	0.00	
186	RIVERWOOD DR	5.09	0.00	0.00	0.00	0.00	0.00	88.91
209-04400-03	ALDERMAN, CHRISTOPHER	0.00	0.00	3.01	0.00	0.00	0.00	
188	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	3.01
209-04450-03	COLVARD, CLARK & KATHY	0.00	0.00	80.00	0.00	0.00	0.00	
192	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-04460-04	ZACCARI, STEVEN & LAURA	0.00	0.00	20.00	0.00	0.00	0.00	
203	RIVERWOOD DR LOT 8	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-04470-01	LONDON, KATHLEEN	0.00	0.00	20.00	0.00	0.00	0.00	
201	RIVERWOOD DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-04480-02	NELSON, LINDA	0.00	0.00	20.00	0.00	0.00	0.00	
326	COTTON ROAD	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-04500-02	TEIGE, TAMMY	0.00	21.98	60.00	0.00	0.00	0.00	
322	COTTON LANE	2.20	0.00	0.00	0.00	0.00	0.00	84.18
209-04640-04	KEETON, ANTHONY	0.00	81.06	40.00	0.00	0.00	0.00	
318	COTTON LANE	8.66-	0.00	0.00	0.00	0.00	0.00	112.40
209-04660-05	COCHRAN, CRAIG	0.00	0.00	80.00	0.00	0.00	0.00	
316	COTTON LANE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-04740-03	MURPHY, TODD	0.00	131.93	60.00	0.00	0.00	0.00	
310	COTTON LANE	13.20	0.00	0.00	0.00	0.00	0.00	205.13
209-04760-06	WALLER, BRIAN C.	0.00	0.00	60.00	0.00	0.00	0.00	
308	COTTON LANE	0.00	0.00	0.00	0.00	0.00	0.00	60.00
209-04840-04	SHERCK, SARAH	0.00	0.00	20.00	0.00	0.00	0.00	
302	COTTON LANE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-04860-02	WATERS, MICHAEL	0.00	0.00	20.00	0.00	0.00	0.00	
300	COTTON LANE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-04920-01	MCGINLEY, JIM	0.00	52.77	60.00	0.00	0.00	0.00	
402	STABLE DR LT 479	0.00	0.00	0.00	0.00	0.00	0.00	112.77
209-04940-03	CARPENTER, DANIEL	0.00	0.00	40.00	0.00	0.00	0.00	
404	STABLE ROAD	0.00	0.00	0.00	0.00	0.00	0.00	40.00
209-05040-11	BARR, MATTHEW	0.00	38.41	20.00	0.00	0.00	0.00	
408	STABLE DRIVE	3.84	0.00	0.00	0.00	0.00	0.00	62.25
209-05050-05	HARRIS, PHILLIP J.	0.00	27.11	40.00	0.00	0.00	0.00	
409	STABLE DRIVE	5.00	0.00	0.00	0.00	0.00	0.00	72.11
209-05080-02	CREWS, BRENDA C.	0.00	0.00	20.00	0.00	0.00	0.00	
410	STABLE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-05140-03	PHILLIPS, PHILIP	0.00	0.00	6.89	0.00	0.00	0.00	
414	STABLE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	6.89
209-05160-04	MAHAN, TOM	0.00	16.50	0.00	0.00	0.00	0.00	Z
416	STABLE DR LT 472	0.00	0.00	0.00	0.00	0.00	0.00	16.50
209-05160-05	WRAY, SAM	0.00	0.00	12.59	0.00	0.00	0.00	
416	STABLE DR LT 472	0.00	0.00	0.00	0.00	0.00	0.00	12.59
209-05180-03	SEGER, STEVEN	0.00	40.08	20.00	0.00	0.00	0.00	
411	STABLE DRIVE	4.01	0.00	0.00	0.00	0.00	0.00	64.09
209-05240-01	SMITH, MORRIS A	0.00	0.00	20.00	0.00	0.00	0.00	
102	STABLE CT	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-05260-02	BROWN, MICHAEL	0.00	86.84	20.00	0.00	0.00	0.00	
105	STABLE CT. LT 457	8.68	0.00	0.00	0.00	0.00	0.00	115.52
209-05320-01	CLAGETT, DON	0.00	0.00	15.99	0.00	0.00	0.00	

U/B MONTH-END RESET JOURNAL

EXHIBIT JB F-4

ACCOUNT NO	NAME	WATER SEW PEN	SEWER SLS TAX	SWR CHRG IRRIGATN	OFF/ON MISC 6	SPRINKLR MAT&MTN	WAT PEN BACKFLO	NEW BALANCE
106	STABLE CT LOT 459	0.00	0.00	0.00	0.00	0.00	0.00	15.99
209-05360-02	HOOK, CLARK	0.00	0.00	20.00	0.00	0.00	0.00	
100	STABLE COURT	0.64	0.00	0.00	0.00	0.00	0.00	20.64
209-05380-01	CUNNINGHAM, I W	0.00	0.00	20.00	0.00	0.00	0.00	
418	STABLE DR LT 471	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-05560-02	ANDERSON, JAMES	0.00	51.81	43.24	0.00	0.00	0.00	
421	STABLE DRIVE	5.59	0.00	0.00	0.00	0.00	0.00	100.64
209-05580-03	ADAIR, SHAYNE	0.00	0.00	80.00	0.00	0.00	0.00	
419	STABLE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	80.00
209-05640-02	MORRIS, TAYLOR	0.00	0.00	20.00	0.00	0.00	0.00	
400	STABLE DRIVE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-05660-02	SMITH, FRANK	0.00	0.00	20.00	0.00	0.00	0.00	
210	COTTON LANE	0.00	0.00	0.00	0.00	0.00	0.00	20.00
209-05680-01	TAYLOR, JAMES L	0.00	0.00	21.04	0.00	0.00	0.00	
208	COTTON RD LT 482	0.00	0.00	0.00	0.00	0.00	0.00	21.04
209-05720-04	JOHNSON, JULIE	0.00	0.00	0.00	0.00	0.00	0.00	
206	COTTON LANE	5.85	0.00	0.00	0.00	0.00	0.00	5.85
* BOOK TOTALS *		0.00	1913.26	4958.00	0.00	0.00	0.00	
0 ACCOUNTS WITH ZERO BALANCE*		191.90	0.00	0.00	0.00	0.00	0.00	7063.16
** DISTRICT TOTALS **		0.00	3821.76	10284.37	0.00	0.00	0.00	
0 ACCOUNTS WITH ZERO BALANCE*		407.86	0.00	0.00	0.00	0.00	0.00	14513.99
*** GRAND TOTALS ***		0.00	3821.76	10284.37	0.00	0.00	0.00	
		407.86	0.00	0.00	0.00	0.00	0.00	14513.99
CREDITS IN BALANCE DUE: 4.05-		0 ACCOUNTS WITH ZERO BALANCE*						

* End of Report: HB & TS Utility District *