

BRANSTETTER, KILGORE, STRANCH & JENNINGS

ATTORNEYS AT LAW

227 SECOND AVENUE NORTH

FOURTH FLOOR

NASHVILLE, TENNESSEE 37201-1631

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'99 OCT 15 PM 3 49

October 15, 1999

OFFICE OF THE
EXECUTIVE SECRETARY

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David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Pkwy.
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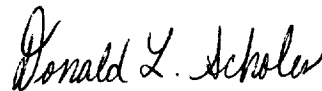
Via Hand Delivery

**Re: Petition of Lynwood Utility Corporation to Change and Increase Rates and
Charges
Docket No. 99-00507**

Dear Mr. Waddell:

I have enclosed an original and thirteen copies of a Response the Staff's Second Information Request in this case dated September 24, 1999. I have enclosed an additional copy for you to mark filed and return to me. Thank you for your assistance in this matter.

Sincerely yours,



DONALD L. SCHOLLES

Enclosures

c: Vince Williams
Davis Lamb

BKSJ File No.: 99-215

FILE

RESPONSE TO SECOND INFORMATION REQUEST TO
LYNWOOD UTILITY CORPORATION IN DOCKET NO. 99-00507

EX-107-48 5.11.8.99
EXECUTIVE

1. Provide the actual and projected customer counts, by rate schedule, by subdivision, by month for the period January 1999 - December 2002.

See attached. The Company has only one commercial customer which is an elementary school. The Company does not anticipate having any other non-residential customers in the foreseeable future. Under the existing rate schedule, residential customers are billed by the number of bedrooms in the residence which are indicated for 1999. A breakdown of customers by the number of bedrooms is shown for present customers. Under the Company's proposed rates, all residential customers will be charged the same rate based upon water usage so no breakdown of residential customers is shown.

2. Provide the Actual Revenue and Expenses for the most recent 12-month period or for calendar 1998. This will be used as the test year for actual revenue and expenses. Provide detailed supporting documentation and invoices for all operation and overhead expenses.

See attached. The Company has included actual revenues and expenses from January 1, 1999 through October 11, 1999 and actual revenues and expenses for the 1998 calendar year. The Company has provided a detailed check report which shows actual expenses of operation and overhead paid for 1999. The Company has supporting documentation for these expenses. To pull each invoice or other evidence of each expense and to copy them would require that the Company hire someone to come in and perform these tasks which it is reluctant to do in light of its financial situation. If the Staff still desires such documentation be pulled and copied after reviewing the detailed check report, the Company will do so. No tap fees were collected in 1998. The prior owner of Lynwood, David Terry, was also the owner of the Legend's Ridge Subdivision and "waived" the tap fee for lots in Legend's Ridge Subdivision. The Company is currently exploring the best way to try to recoup these unpaid tap fees.

3. The 1998 Federal Income Tax return reflects \$747,803 for Buildings and Depreciable assets. Provide a detailed breakdown with supporting documentation for these assets.

See attached.

4. Provide a bill comparison using the present and proposed rates, showing the number of customers by rate schedule, by subdivision. This comparison should show a frequency distribution for bills at different usage levels for the calendar year. (Example: Show the

FILE

number of Minimum Bills, 0-1000 gallons, 1001-2000 gallons, etc., up to 16,000 gallons.)

The Company was unsure how to make the comparison requested using different usage levels. Under existing rates sewer charges are based upon the number of bedrooms and not on water usage; therefore, the Company has no information upon which to base a distribution based upon different usage. Under the proposed rates sewer charges are based on water usage. In the Petition the Company indicated that the average rate for a residential customer would increase from \$15.63 to \$45.00. The Company made this comparison by obtaining historical usage of water from H. B. & T. S. Utility District for a specific time period and used the average water usage per residence to compute the \$45.00 under the new rates.

5. Provide the present and proposed revenue for the tap fees, by subdivision, by month for the period noted in Request 1. Non-Residential class, show the calculations for the total fees per customer.

See attached. The Company has added no non-residential customer in 1999 and does not anticipate doing so in the foreseeable future.

6. Provide the present and proposed revenue for the Sewer Connection Fees, by class, by subdivision, by month for the period in Request 1.

See attached.

7. Provide additional detail on the present and proposed capacity of the system. Provide the gallons processed by month for the period January 1999 - December 2002. Also provide the total capacity of the plant for the same time period, showing the additions in capacity to the system over the time.

See attached.

8. Provide a copy of the "Expansion Plan" referenced in the original Utilities Agreement as Exhibit A.

See attached. The estimate contained in Exhibit A attached to the Utilities Agreement has changed materially since it was prepared in February of 1998. The actual costs are greater than some of the estimates, and additional work to rehabilitate the existing plant is being done as well.

9. In your Petition you attached the Utilities Agreement and two amendments. Provide Exhibit B - the expansion plan budget and Exhibit C - expenses for improvements and operation to the plant referenced in the first amendment.

See attached. The estimate contained in Exhibit B attached to the Utilities Agreement has changed materially since it was prepared in November of 1998. The actual costs are greater than some of the estimates, and additional work to rehabilitate the existing plant is being done as well. The estimate contained in Exhibit C attached to the Utilities Agreement has changed materially since it was prepared in November of 1998. At that time the true financial condition of the Company was not fully known by Lumbermen's; therefore, the expenses included in Exhibit C materially understate the operating expenses Lumbermen's has been required to provide to the Company to keep it operating.

10. The second amendment, paragraph 1, relates to expansion cost recovery between Lumbermen and Lynwood. Provide a detailed explanation of the funds to be advanced, repayment amounts and schedule, and all interest and other charges associate with the agreement. Include an explanation and cost estimate for sub-paragraphs (a)-(e) of the amendment.

See attached. The portion of the Funds To Be Advanced by Lumbermen's related to the upgrading of the sewer treatment plant includes actual funds spent to date and a projection of the additional funds which will be spent. The portion of the Funds To Be Advanced by Lumbermen's related to the operating costs of the Company includes the actual amounts paid by Lumbermen's to date. The Company cannot accurately project the amount of any future operating costs which may be included in amounts owed to Lumbermen's until a decision is made in this case. If new rates are set which permit the Company to meet its operating expenses, then no additional amounts related to the operation of the Company will need to be advanced by Lumbermen's. The amount included as Credits includes a contribution in aid of construction of Lumbermen's for \$397,664.57 related to the expansion of the plant necessary for the River Landing Subdivision which Lumbermen's agreed to make to the Company in the Utilities Agreement. Tap fees which have been paid and will be paid by the lot owners in Legends Ridge and River Landing are also shown as a credit. No schedule of repayment has been established between the Company and Lumbermen's. Lumbermen's will receive payment for the balance owed as tap fees are collected on additional lots served by the Company.

The Funds to Be Advanced by Lumbermen's document includes all of the items mentioned in subparagraph (a) of the Second Amendment to Utilities Agreement. The items mentioned in subparagraph (b) are included in the Funds to Be Advanced by Lumbermen's document under Professional Engineering Consultant, Legal, and Feasibility Study to Add Existing Subdivisions under the category Phase II Soft Costs. The funds mentioned in subparagraphs (c) and (d) are not material, and Lumbermen's will not be seeking reimbursement for any funds it may have spent. Subparagraph (e) no longer has any

application and Lumbermen's will not be seeking reimbursement for any amount under this subparagraph.

In addition to the funds advanced by Lumbermen's, the Company also owes Lumbermen's \$305,000 plus accrued interest on the note Lumbermen's purchased from First Tennessee Bank. The Company is currently making no payment on the note and is in default. Lumbermen's and the Company have not established any schedule of repayment since the Company is not even meeting its operating expenses now.

11. Provide job descriptions (duties and responsibilities) for all of the current Lynwood Utility District employees and the same information for the proposed employees should this proposal be granted.

See attached.

12. Provide executed copy of the "Collection of Sewer Service Charges" agreement with the City of Franklin and H. B. & T. S. Utility District.

The proposed billing and collection agreements have not been executed with City of Franklin or H. B. & T. S. Utility District. The Company anticipates that the Mayor and Board of Aldermen of the City of Franklin will approve the agreement at its next meeting. H. B. & T. S. Utility District has still not approved the agreement, but the Company plans to attend the next Board meeting to discuss this issue with its Board which will be on October 27th. If for some reason the District is unable to get a billing and collection agreement from H. B. & T. S. Utility District, the Company will have to obtain its water meter readings and bill itself. The Company hopes to be able to work out an agreement with H. B. & T. S. Utility District because this is the most cost effective way to bill and to enforce the collection of unpaid sewer bills.

13. Provide a current copy of the water rate schedules used by the City of Franklin and H. B. & T. S. Utility District.

See attached.

RESPONSE NO. 1

1999

Residential Users:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cottonwood Residents	484	484	484	484	484	484	484	484	484	484	484	484
Legends Ridge Residents	46	46	46	46	61	61	61	62	63	64	65	66
Miscellaneous Residents	4	4	4	4	4	4	4	4	4	4	4	4
River Landing Residents	0	0	0	0	0	0	0	0	0	0	0	0
Total Residential Users	534	534	534	534	549	549	549	550	551	552	553	554

2000

RATE: 0.005768

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2000 Total
Residential Users:													
Cottonwood Residents	484	484	484	484	484	484	484	484	484	484	484	484	484
Legends Ridge Residents	67	88	69	70	71	72	73	74	75	76	77	78	78
Miscellaneous Residents	4	4	4	4	4	4	4	4	4	4	4	4	4
River Landing Residents	1	2	3	5	7	9	11	13	15	17	19	20	20
Total Residential Users	566	568	560	563	566	569	572	575	578	581	584	586	586

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2001

RATE: 0.005768

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2001 Total
Residential Users:													
Cottonwood Residents	484	484	484	484	484	484	484	484	484	484	484	484	484
Legends Ridge Residents	79	80	81	82	83	84	85	86	87	88	89	90	90
Miscellaneous Residents	4	4	4	4	4	4	4	4	4	4	4	4	4
River Landing Residents	21	22	23	25	27	29	31	33	35	37	39	40	40
Total Residential Users	588	590	592	595	598	601	604	607	610	613	616	618	

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2002

RATE: 0.005766

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2002 Total
Residential Users:													
Cottonwood Residents	484	484	484	484	484	484	484	484	484	484	484	484	484
Legends Ridge Residents	91	92	93	94	95	96	97	98	99	100	101	102	102
Miscellaneous Residents	4	4	4	4	4	4	4	4	4	4	4	4	4
River Landing Residents	41	42	43	45	47	49	51	53	55	57	59	60	60
Residential Users	620	622	624	627	630	633	636	639	642	645	648	650	

10/14/99

Lynwood Utility Corporation **Customer Base by Subdivision and Number of Bedrooms**

as of August 1, 1999

Present Customers in Lynwood Utility Corporation by Subdivision

	No. of Bedrooms				School	Totals
	2	3	4	5		
Cottonwood	2	280	178	28		484
Legends Ridge			59	2		61
Miscellaneous	2	1	1		1	5
River Landing						0
Totals	4	281	236	28	1	550

RESPONSE NO. 2

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10/12/99

Lynnwood Utilities Corporation
Profit and Loss
January 1 through October 11, 1999

	<u>Jan 1 - Oct 11, '99</u>
Income	
Fee Income	
Tap Fee Income	10,800.00
Total Fee Income	10,800.00
Monthly Service	82,007.25
Total Income	92,807.25
Expense	
Accounting Fees	200.00
Engineering	
House Sewer Service Inspection	0.00
Total Engineering	0.00
Financial Expenses	
Bank Charges	-10.69
Financial Expenses - Other	1,722.05
Total Financial Expenses	1,711.36
Insurance	
Auto Insurance	310.00
Liability	4,882.00
Umbrella	2,775.00
Workers Compensation	799.00
Total Insurance	8,766.00
Laboratory Analysis	720.00
Licenses & Fees	1,567.20
Management Fees	1,500.00
Membership Dues	165.00
Monthly Operating Expense	
Accounting & Bookkeeping	200.00
Contract Office Expense	2,396.00
Laboratory Analysis	8,030.00
On Site Management	13,500.00
Professional Management	9,000.00
Sludge Disposal	30,176.64
Trash Removal	4,273.49
Total Monthly Operating Expense	67,576.13
Office Supplies	
Postage & Delivery	178.52
Printing & Reproduction	330.52
Office Supplies - Other	119.99
Total Office Supplies	629.03
Plant Supplies	
Chlorine	4,840.00
Plant Supplies - Other	891.96
Total Plant Supplies	5,731.96
Professional Advisors	
Accounting	3,707.25
Total Professional Advisors	3,707.25
Repairs & Maintenance	
Pump Station	691.80
Total Repairs & Maintenance	691.80
Taxes	
Property	7,495.78
State F & E	1,833.00
Total Taxes	9,328.78
Utilities	
Electricity for Plant	19,593.73

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10/12/99

Lynnwood Utilities Corporation
Profit and Loss
 January 1 through October 11, 1999

	<u>Jan 1 - Oct 11, '99</u>
Electricity for Pump Stations	376.25
Telephone	790.80
Water for Plant	14,425.97
Water for Pump Stations	58.48
Total Utilities	<u>35,245.23</u>
6999 - Uncategorized Expenses	<u>0.00</u>
Total Expense	<u>137,539.74</u>
Net Income	<u><u>-44,732.49</u></u>

10/11/99

Lynnwood Utilities Corporation
Profit and Loss
October 1 - 11, 1999

	<u>Oct 1 - 11, '99</u>
Income	0.00
Expense	
Insurance	
Auto Insurance	310.00
Liability	1,759.00
Umbrella	2,775.00
Workers Compensation	799.00
Total Insurance	<u>5,643.00</u>
Monthly Operating Expense	
Contract Office Expense	112.00
Total Monthly Operating Expense	<u>112.00</u>
Office Supplies	54.10
Total Expense	<u>5,809.10</u>
Net Income	<u><u>-5,809.10</u></u>

10/11/99

Lynnwood Utilities Corporation
Profit and Loss
September 1999

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	Sep '99
Income	
Monthly Service	9,260.75
Total Income	9,260.75
Expense	
Membership Dues	60.00
Monthly Operating Expense	
Laboratory Analysis	1,095.00
On Site Management	1,500.00
Sludge Disposal	3,607.20
Total Monthly Operating Expense	6,202.20
Plant Supplies	
Chlorine	371.60
Total Plant Supplies	371.60
Professional Advisors	
Accounting	173.25
Total Professional Advisors	173.25
Utilities	
Electricity for Plant	2,342.05
Electricity for Pump Stations	37.10
Telephone	67.31
Water for Plant	1,249.31
Water for Pump Stations	7.88
Total Utilities	3,703.65
Total Expense	10,510.70
Net Income	-1,249.95

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Lynnwood Utilities Corporation
Profit and Loss
August 1999

	<u>Aug '99</u>
Income	
Fee Income	
Tap Fee Income	<u>5,400.00</u>
Total Fee Income	5,400.00
Monthly Service	<u>9,342.00</u>
Total Income	14,742.00
Expense	
Monthly Operating Expense	
Contract Office Expense	445.00
Laboratory Analysis	720.00
On Site Management	3,000.00
Sludge Disposal	3,965.76
Trash Removal	<u>108.33</u>
Total Monthly Operating Expense	8,239.09
Plant Supplies	
Chlorine	<u>892.55</u>
Total Plant Supplies	892.55
Professional Advisors	
Accounting	<u>300.00</u>
Total Professional Advisors	300.00
Utilities	
Electricity for Plant	355.10
Electricity for Pump Stations	37.10
Telephone	65.23
Water for Plant	1,558.64
Water for Pump Stations	<u>7.21</u>
Total Utilities	2,023.28
6999 - Uncategorized Expenses	<u>0.00</u>
Total Expense	11,454.92
Net Income	<u><u>3,287.08</u></u>

08/17/99

Lynnwood Utilities Corporation
Profit and Loss
July 1999

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	Jul '99
Income	
Fee Income	
Tap Fee Income	1,800.00
Total Fee Income	1,800.00
Monthly Service	9,196.25
Total Income	10,996.25
Expense	
Monthly Operating Expense	
Contract Office Expense	80.00
Laboratory Analysis	720.00
On Site Management	1,500.00
Sludge Disposal	8,559.36
Trash Removal	180.00
Total Monthly Operating Expense	11,039.36
Plant Supplies	
Chlorine	302.85
Total Plant Supplies	302.85
Repairs & Maintenance	
Pump Station	431.80
Total Repairs & Maintenance	431.80
Utilities	
Electricity for Plant	4,738.83
Electricity for Pump Stations	75.95
Telephone	86.46
Water for Plant	2,939.48
Water for Pump Stations	7.21
Total Utilities	7,847.93
Total Expense	19,621.94
Net Income	<u><u>-8,625.69</u></u>

10/12/99

Lynnwood Utilities Corporation
Profit and Loss
June 1999

	<u>Jun '99</u>
Income	
Fee Income	
Tap Fee Income	1,800.00
Total Fee Income	<u>1,800.00</u>
Monthly Service	9,129.00
Total Income	<u>10,929.00</u>
Expense	
Licenses & Fees	1,250.00
Monthly Operating Expense	
Contract Office Expense	392.00
Laboratory Analysis	720.00
On Site Management	1,500.00
Sludge Disposal	5,833.08
Trash Removal	1,650.00
Total Monthly Operating Expense	<u>10,095.08</u>
Office Supplies	
Postage & Delivery	33.00
Total Office Supplies	<u>33.00</u>
Plant Supplies	
Chlorine	1,155.35
Plant Supplies - Other	167.87
Total Plant Supplies	<u>1,323.22</u>
Professional Advisors	
Accounting	2,200.00
Total Professional Advisors	<u>2,200.00</u>
Utilities	
Electricity for Plant	2,222.31
Electricity for Pump Stations	37.10
Telephone	127.98
Water for Plant	1,445.62
Water for Pump Stations	15.09
Total Utilities	<u>3,848.10</u>
Total Expense	<u>18,749.40</u>
Net Income	<u><u>-7,820.40</u></u>

08/06/99

Lynnwood Utilities Corporation
Profit and Loss
May 1999

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	May '99
Income	
Monthly Service	9,194.00
Total Income	9,194.00
Expense	
Financial Expenses	
Bank Charges	-138.63
Total Financial Expenses	-138.63
Monthly Operating Expense	
Contract Office Expense	134.00
Laboratory Analysis	1,175.00
On Site Management	1,500.00
Sludge Disposal	6,228.36
Trash Removal	180.00
Total Monthly Operating Expense	9,217.36
Office Supplies	29.09
Professional Advisors	
Accounting	367.00
Total Professional Advisors	367.00
Utilities	
Water for Plant	1,663.78
Total Utilities	1,663.78
Total Expense	11,138.60
Net Income	-1,944.60

10/11/99

Lynnwood Utilities Corporation
Profit and Loss
 April 1999

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	<u>Apr '99</u>
Income	
Monthly Service	8,867.00
Total Income	<u>8,867.00</u>
Expense	
Financial Expenses	
Bank Charges	95.38
Total Financial Expenses	<u>95.38</u>
Monthly Operating Expense	
Contract Office Expense	154.00
Laboratory Analysis	720.00
On Site Management	1,500.00
Trash Removal	180.00
Total Monthly Operating Expense	<u>2,554.00</u>
Office Supplies	
Postage & Delivery	33.00
Total Office Supplies	<u>33.00</u>
Plant Supplies	
Chlorine	214.10
Plant Supplies - Other	138.24
Total Plant Supplies	<u>352.34</u>
Repairs & Maintenance	
Pump Station	260.00
Total Repairs & Maintenance	<u>260.00</u>
Utilities	
Electricity for Plant	2,340.26
Electricity for Pump Stations	37.10
Telephone	63.56
Water for Pump Stations	8.01
Total Utilities	<u>2,448.93</u>
Total Expense	<u>5,743.65</u>
Net Income	<u><u>3,123.35</u></u>

10/12/99

Lynnwood Utilities Corporation
Profit and Loss
March 1999

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	Mar '99
Income	
Monthly Service	8,890.25
Total Income	8,890.25
Expense	
Engineering	
House Sewer Service Inspection	-130.00
Total Engineering	-130.00
Financial Expenses	
Bank Charges	8.89
Total Financial Expenses	8.89
Insurance	
Liability	3,123.00
Total Insurance	3,123.00
Laboratory Analysis	720.00
Licenses & Fees	317.20
Monthly Operating Expense	
Contract Office Expense	237.00
On Site Management	1,500.00
Professional Management	3,000.00
Sludge Disposal	1,982.88
Trash Removal	360.00
Total Monthly Operating Expense	7,079.88
Office Supplies	
Postage & Delivery	66.32
Office Supplies - Other	36.80
Total Office Supplies	103.12
Plant Supplies	
Chlorine	497.85
Plant Supplies - Other	61.70
Total Plant Supplies	559.55
Professional Advisors	
Accounting	667.00
Total Professional Advisors	667.00
Taxes	
Property	7,495.78
Total Taxes	7,495.78
Utilities	
Electricity for Plant	3,732.01
Electricity for Pump Stations	75.95
Telephone	144.17
Water for Plant	2,769.82
Water for Pump Stations	5.75
Total Utilities	6,727.70
Total Expense	26,872.12
Net Income	-17,781.87

05/18/99

Lynnwood Utilities Corporation
Profit and Loss
 February 1999

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	Feb '99
Income	
Monthly Service	8,852.75
Total Income	8,852.75
Expense	
Financial Expenses	
Bank Charges	23.67
Total Financial Expenses	23.67
Monthly Operating Expense	
Accounting & Bookkeeping	200.00
Contract Office Expense	395.00
Laboratory Analysis	720.00
On Site Management	1,500.00
Professional Management	3,000.00
Total Monthly Operating Expense	5,815.00
Office Supplies	
Postage & Delivery	46.20
Total Office Supplies	46.20
Plant Supplies	
Chlorine	791.30
Plant Supplies - Other	271.86
Total Plant Supplies	1,063.16
Taxes	
State F & E	1,833.00
Total Taxes	1,833.00
Utilities	
Electricity for Plant	1,885.78
Electricity for Pump Stations	37.10
Water for Plant	1,561.56
Total Utilities	3,484.44
Total Expense	12,265.47
Net Income	-3,412.72

10/11/99

Lynnwood Utilities Corporation
Profit and Loss
January 1999

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	Jan '99
Income	
Monthly Service	9,275.25
Total Income	9,275.25
Expense	
Accounting Fees	200.00
Engineering	
House Sewer Service Inspection	130.00
Total Engineering	130.00
Financial Expenses	1,722.05
Management Fees	1,500.00
Membership Dues	105.00
Monthly Operating Expense	
Contract Office Expense	447.00
Laboratory Analysis	2,160.00
Professional Management	3,000.00
Trash Removal	1,615.16
Total Monthly Operating Expense	7,222.16
Office Supplies	
Printing & Reproduction	330.52
Total Office Supplies	330.52
Plant Supplies	
Chlorine	614.40
Plant Supplies - Other	252.29
Total Plant Supplies	866.69
Utilities	
Electricity for Plant	1,977.39
Electricity for Pump Stations	38.85
Telephone	236.09
Water for Plant	1,237.76
Water for Pump Stations	7.33
Total Utilities	3,497.42
Total Expense	15,573.84
Net Income	-6,298.59

10/11/99

Lynnwood Utilities Corporation
Profit and Loss
January through December 1998

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	<u>Jan - Dec '98</u>
Income	
Monthly Service	110,788.52
Total Income	<u>110,788.52</u>
Expense	
Accounting Fees	2,400.00
Bank Charges	172.11
Contract Office Expense	2,264.00
F & E Taxes	1,578.13
Insurance	3,210.00
Interest Expense	11,825.61
Laboratory Analysis	8,482.50
Legal & Professional	27,176.66
Licenses & Fees	750.00
Management Fees	17,000.00
Misc.	0.00
Office Supplies	564.16
Plant Supplies	8,633.61
Property Tax	7,793.38
Pump Station	97.44
Repairs & Maintenance	11,589.43
Taxes	290.85
Telephone	816.96
Utilities	28,737.36
6999 - Uncategorized Expenses	5,000.00
Total Expense	<u>138,382.20</u>
Net Income	<u><u>-27,593.68</u></u>

PREVIOUS YEAR UNDER
PREVIOUS MANAGEMENT

Item 2b - 7/24/99
1 of 16

Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
Check	1/15/99				Checking - 1st Uni...	-10.69	
						10.69	-10.69
TOTAL						10.69	-10.69
Check	2/8/99		Adjusting Entry		Checking - 1st Uni...	-14.25	
					Monthly Service	14.25	-14.25
TOTAL						14.25	-14.25
Check	2/10/99				Checking - 1st Uni...	-34.36	
					Bank Charges	34.36	-34.36
TOTAL						34.36	-34.36
Check	3/10/99				Checking - 1st Uni...	-43.25	
					Bank Charges	43.25	-43.25
TOTAL						43.25	-43.25
Check	4/12/99				Checking - 1st Uni...	-138.63	
					Bank Charges	138.63	-138.63
TOTAL						138.63	-138.63
Check	1/5/99	91	Paula Harwell		Checking - 1st Uni...	-275.00	
					Contract Office Exp...	275.00	-275.00
TOTAL						275.00	-275.00
Check	1/15/99	1001	H.B. & T.S. Utility ...		Checking - 1st Uni...	-1,237.76	
					Water for Plant	1,237.76	-1,237.76
TOTAL						1,237.76	-1,237.76
Check	3/31/99	1001	TN Regulatory Aut...		Checking - 1st Uni...	-317.20	
					Licenses & Fees	317.20	-317.20
TOTAL						317.20	-317.20
Check	1/15/99	1002	Middle Tennessee ...		Checking - 1st Uni...	-2,016.24	
					Electricity for Pump ...	38.85	-38.85
					Electricity for Plant	1,977.39	-1,977.39
TOTAL						2,016.24	-2,016.24
Check	1/15/99	1003	G. W. Willis III		Checking - 1st Uni...	-1,500.00	
					Management Fees	1,500.00	-1,500.00
TOTAL						1,500.00	-1,500.00
Check	1/15/99	1004	Deborah Clairday		Checking - 1st Uni...	-200.00	

Item 26-9/24/99
2 of 16

Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL					Accounting Fees	200.00	-200.00
						200.00	-200.00
Check	1/15/99	1005	Waste Manageme...		Checking - 1st Uni...	-1,435.16	
TOTAL					Trash Removal	1,435.16	-1,435.16
						1,435.16	-1,435.16
Check	1/15/99	1006	Warner Laboratori...		Checking - 1st Uni...	-2,160.00	
TOTAL					Laboratory Analysis	720.00	-720.00
					Laboratory Analysis	720.00	-720.00
					Laboratory Analysis	720.00	-720.00
						2,160.00	-2,160.00
Check	1/15/99	1007	P.B. & S. Chemical...		Checking - 1st Uni...	-614.40	
TOTAL					Chlorine	714.40	-714.40
					Chlorine	-100.00	100.00
					Chlorine	-500.00	500.00
					Chlorine	500.00	-500.00
						614.40	-614.40
Check	1/15/99	1008	Rock City Machin...		Checking - 1st Uni...	-192.65	
TOTAL					Plant Supplies	192.65	-192.65
						192.65	-192.65
Check	1/15/99	1009	Bell South		Checking - 1st Uni...	-159.35	
TOTAL					Telephone	159.35	-159.35
						159.35	-159.35
Check	1/15/99	1010	AT&T		Checking - 1st Uni...	-19.86	
TOTAL					Telephone	19.86	-19.86
						19.86	-19.86
Check	1/15/99	1011	Pip Printing		Checking - 1st Uni...	-330.52	
TOTAL					Printing & Reproduc...	330.52	-330.52
						330.52	-330.52
Check	1/15/99	1012	Judy Trosper		Checking - 1st Uni...	-172.00	
TOTAL					Contract Office Exp...	172.00	-172.00
						172.00	-172.00
Check	1/20/99	1013	City of Franklin		Checking - 1st Uni...	-7.33	
					Water for Pump Sta...	7.94	-7.94
					Water for Pump Sta...	-0.61	0.61

Item 26 - 9/24/99
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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL						7.33	-7.33
Check	1/20/99	1014	Utility Holdings, Inc.		Checking - 1st Uni...	-3,000.00	
					Professional Manag...	3,000.00	-3,000.00
TOTAL						3,000.00	-3,000.00
Check	1/20/99	1015	Alley & Associates		Checking - 1st Uni...	-130.00	
					House Sewer Servic...	130.00	-130.00
TOTAL						130.00	-130.00
Check	1/28/99	1016	TN Assoc. of Utilit...		Checking - 1st Uni...	-105.00	
					Membership Dues	105.00	-105.00
TOTAL						105.00	-105.00
Check	1/28/99	1017	Bell South		Checking - 1st Uni...	-56.88	
					Telephone	56.88	-56.88
TOTAL						56.88	-56.88
Check	1/28/99	1018	Waste Manageme...		Checking - 1st Uni...	-180.00	
					Trash Removal	180.00	-180.00
TOTAL						180.00	-180.00
Check	2/3/99	1019	Utility Holdings, Inc.		Checking - 1st Uni...	-3,000.00	
					Professional Manag...	3,000.00	-3,000.00
TOTAL						3,000.00	-3,000.00
Check	2/3/99	1020	G. W. Willis III		Checking - 1st Uni...	-1,500.00	
					On Site Management	1,500.00	-1,500.00
TOTAL						1,500.00	-1,500.00
Check	2/3/99	1021	Judy Trosper		Checking - 1st Uni...	-93.20	
					Contract Office Exp...	80.00	-80.00
					Postage & Delivery	13.20	-13.20
TOTAL						93.20	-93.20
Check	2/3/99	1022	Paula Harwell		Checking - 1st Uni...	-315.00	
					Contract Office Exp...	315.00	-315.00
TOTAL						315.00	-315.00
Check	2/3/99	1023	H.B. & T.S. Utility ...		Checking - 1st Uni...	-1,561.56	
					Water for Plant	1,561.56	-1,561.56

Item 26 - 9/24/99
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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL						1,561.56	-1,561.56
Check	2/3/99	1024	Middle Tennessee ...		Checking - 1st Uni...	-1,922.88	
				Electricity for Pump ...		37.10	-37.10
				Electricity for Plant		1,885.78	-1,885.78
TOTAL						1,922.88	-1,922.88
Check	2/5/99	1025	Warner Laboratori...		Checking - 1st Uni...	-720.00	
				Laboratory Analysis		720.00	-720.00
TOTAL						720.00	-720.00
Check	2/5/99	1026	Postmaster		Checking - 1st Uni...	-33.00	
				Postage & Delivery		33.00	-33.00
TOTAL						33.00	-33.00
Check	2/5/99	1027	P.B. & S. Chemical...		Checking - 1st Uni...	-655.65	
				Chlorine		655.65	-655.65
TOTAL						655.65	-655.65
Check	2/18/99	1028	G. W. Willis III		Checking - 1st Uni...	-149.54	
				Plant Supplies		14.57	-14.57
				Plant Supplies		24.99	-24.99
				Plant Supplies		52.98	-52.98
				Plant Supplies		57.00	-57.00
TOTAL						149.54	-149.54
Check	2/18/99	1029	P.B. & S. Chemical...		Checking - 1st Uni...	-135.65	
				Chlorine		714.40	-714.40
				Chlorine		-500.00	500.00
				Chlorine		-78.75	78.75
TOTAL						135.65	-135.65
Check	2/23/99	1030	Deborah Clairday		Checking - 1st Uni...	-200.00	
				Accounting & Bookk...		200.00	-200.00
TOTAL						200.00	-200.00
Check	2/23/99	1031	Combs Industrial ...		Checking - 1st Uni...	-1,981.50	
				Plant Improvements		2,277.00	-2,277.00
				Plant Improvements		162.00	-162.00
				Plant Improvements		-457.50	457.50
TOTAL						1,981.50	-1,981.50
Check	2/24/99	1032	Rock City Machin...		Checking - 1st Uni...	-122.32	
				Plant Supplies		122.32	-122.32

Item 26-9/24/99
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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL						122.32	-122.32
Check	2/24/99	1033	TN Dept. of Reven...		Checking - 1st Uni...	-1,833.00	
					State F & E	1,833.00	-1,833.00
TOTAL						1,833.00	-1,833.00
Check	3/1/99	1034	Paula Harwell		Checking - 1st Uni...	-125.00	
					Contract Office Exp...	125.00	-125.00
TOTAL						125.00	-125.00
Check	3/1/99	1035	Utility Holdings, Inc.		Checking - 1st Uni...	-3,000.00	
					Professional Manag...	3,000.00	-3,000.00
TOTAL						3,000.00	-3,000.00
Check	3/1/99	1036	G. W. Willis III		Checking - 1st Uni...	-1,500.00	
					On Site Management	1,500.00	-1,500.00
TOTAL						1,500.00	-1,500.00
Bill Pmt -Check	3/10/99	1037	Middle Tennessee ...		Checking - 1st Uni...	-2,022.85	
Bill	3/9/99				Electricity for Plant	1,985.75	-1,985.75
					Electricity for Pump ...	37.10	-37.10
TOTAL						2,022.85	-2,022.85
Bill Pmt -Check	3/10/99	1038	P.B. & S. Chemical...		Checking - 1st Uni...	-497.85	
Bill	3/10/99				Chlorine	797.85	-497.85
TOTAL						797.85	-497.85
Bill Pmt -Check	3/10/99	1039	Warner Laboratori...		Checking - 1st Uni...	-720.00	
Bill	3/10/99				Laboratory Analysis	720.00	-720.00
TOTAL						720.00	-720.00
Check	3/16/99	1040	H.B. & T.S. Utility ...		Checking - 1st Uni...	-1,386.55	
					Water for Plant	1,386.55	-1,386.55
TOTAL						1,386.55	-1,386.55
Check	3/16/99	1041	Rock City Machin...		Checking - 1st Uni...	-61.70	
					Plant Supplies	61.70	-61.70
TOTAL						61.70	-61.70
Check	3/16/99	1042	Waste Manageme...		Checking - 1st Uni...	-360.00	
					Trash Removal	360.00	-360.00

Item 25-9/24/99
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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL						360.00	-360.00
Check	3/16/99	1043	City of Franklin		Checking - 1st Uni...	-5.75	
				Water for Pump Sta...		6.48	-6.48
				Water for Pump Sta...		-0.73	0.73
TOTAL						5.75	-5.75
Check	3/16/99	1044	Davidson & Golde...		Checking - 1st Uni...	-667.00	
				Accounting		667.00	-667.00
TOTAL						667.00	-667.00
Check	3/16/99	1045	Combs Industrial ...		Checking - 1st Uni...	-1,982.88	
				Sludge Disposal		1,982.88	-1,982.88
TOTAL						1,982.88	-1,982.88
Check	3/19/99	1046	Judy Trosper		Checking - 1st Uni...	-145.00	
				Contract Office Exp...		112.00	-112.00
				Postage & Delivery		33.00	-33.00
TOTAL						145.00	-145.00
Check	3/19/99	1047	Postmaster		Checking - 1st Uni...	-33.00	
				Postage & Delivery		33.00	-33.00
TOTAL						33.00	-33.00
Check	3/19/99	1048	Davis Lamb		Checking - 1st Uni...	-37.12	
				Office Supplies		36.80	-36.80
				Postage & Delivery		0.32	-0.32
TOTAL						37.12	-37.12
Check	3/19/99	1049	Bell South		Checking - 1st Uni...	-60.75	
				Telephone		60.75	-60.75
TOTAL						60.75	-60.75
Check	3/22/99	1050	Chappell Zander I...		Checking - 1st Uni...	-3,123.00	
				Liability		3,123.00	-3,123.00
TOTAL						3,123.00	-3,123.00
Check	3/22/99	1051	Middle Tennessee ...		Checking - 1st Uni...	-1,785.11	
				Electricity for Pump ...		38.85	-38.85
				Electricity for Plant		1,746.26	-1,746.26
TOTAL						1,785.11	-1,785.11
Check	3/29/99	1052	AT&T		Checking - 1st Uni...	-19.86	

Item 2b - 9/24/99
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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL					Telephone	19.86	-19.86
						19.86	-19.86
Check	3/29/99	1053	Bell South		Checking - 1st Uni...	-63.56	
					Telephone	63.56	-63.56
TOTAL						63.56	-63.56
Check	3/29/99	1054	H.B. & T.S. Utility ...		Checking - 1st Uni...	-1,383.27	
					Water for Plant	1,383.27	-1,383.27
TOTAL						1,383.27	-1,383.27
Check	4/8/99	1055	Judy Trosper		Checking - 1st Uni...	-84.00	
					Contract Office Exp...	84.00	-84.00
TOTAL						84.00	-84.00
Check	4/8/99	1056	Paula Harwell		Checking - 1st Uni...	-70.00	
					Contract Office Exp...	70.00	-70.00
TOTAL						70.00	-70.00
Check	4/8/99	1057	G. W. Willis III		Checking - 1st Uni...	-1,638.24	
					On Site Management	1,500.00	-1,500.00
					Plant Supplies	138.24	-138.24
TOTAL						1,638.24	-1,638.24
Check	4/21/99	1058	P.B. & S. Chemical...		Checking - 1st Uni...	-214.10	
					Chlorine	714.10	-714.10
					Chlorine	-500.00	500.00
TOTAL						214.10	-214.10
Check	4/21/99	1059	Southern Sales Co...		Checking - 1st Uni...	-260.00	
					Pump Station	260.00	-260.00
TOTAL						260.00	-260.00
Check	4/21/99	1060	Warner Laboratori...		Checking - 1st Uni...	-720.00	
					Laboratory Analysis	720.00	-720.00
TOTAL						720.00	-720.00
Check	4/21/99	1061	City of Franklin		Checking - 1st Uni...	-8.01	
					Water for Pump Sta...	8.01	-8.01
TOTAL						8.01	-8.01
Check	4/21/99	1062	Waste Manageme...		Checking - 1st Uni...	-180.00	
					Trash Removal	180.00	-180.00

Item 26 - 9/24/99
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10/11/99

Lynnwood Utilities Corporation
Check Detail
January through December 1999

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL						180.00	-180.00
Check	4/22/99	1063	Countryside Drive ...		Checking - 1st Uni...	0.00	
TOTAL						0.00	0.00
Check	4/22/99	1063	Countryside Drive ...		Checking - 1st Uni...	-28.50	
Payment	5/28/99	2942	Countryside Drive 2...		Accounts Receivable	-14.25	-14.23
TOTAL						-14.25	-14.23
Check	4/30/99	1064	Middle Tennessee ...		Checking - 1st Uni...	-2,377.36	
				Electricity for Pump ...		37.10	-37.10
				Electricity for Plant		2,340.26	-2,340.26
TOTAL						2,377.36	-2,377.36
Check	4/30/99	1065	Bell South		Checking - 1st Uni...	-63.56	
				Telephone		63.56	-63.56
TOTAL						63.56	-63.56
Check	4/30/99	1066	Postmaster		Checking - 1st Uni...	-33.00	
				Postage & Delivery		33.00	-33.00
TOTAL						33.00	-33.00
Check	5/10/99	1067	G. W. Willis III		Checking - 1st Uni...	-1,500.00	
				On Site Management		1,500.00	-1,500.00
TOTAL						1,500.00	-1,500.00
Check	5/10/99	1068	Judy Trosper		Checking - 1st Uni...	-163.09	
				Contract Office Exp...		134.00	-134.00
				Office Supplies		29.09	-29.09
TOTAL						163.09	-163.09
Check	5/10/99	1069	H.B. & T.S. Utility ...		Checking - 1st Uni...	-1,663.78	
				Water for Plant		1,663.78	-1,663.78
TOTAL						1,663.78	-1,663.78
Check	5/21/99	1070	Davidson & Golde...		Checking - 1st Uni...	-367.00	
				Accounting		367.00	-367.00
TOTAL						367.00	-367.00
Check	5/21/99	1071	Warner Laboratori...		Checking - 1st Uni...	-1,175.00	
				Laboratory Analysis		720.00	-720.00
				Laboratory Analysis		455.00	-455.00

Item 26 - 9/24/99

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Lynnwood Utilities Corporation
Check Detail
 January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL						1,175.00	-1,175.00
Check	5/21/99	1072	Waste Manageme...		Checking - 1st Uni...	-180.00	
				Trash Removal		180.00	-180.00
TOTAL						180.00	-180.00
Check	6/3/99	1073	Paula Harwell		Checking - 1st Uni...	-160.00	
				Contract Office Exp...		160.00	-160.00
TOTAL						160.00	-160.00
Check	6/3/99	1074	Middle Tennessee ...		Checking - 1st Uni...	-2,259.41	
				Electricity for Pump ...		37.10	-37.10
				Electricity for Plant		2,222.31	-2,222.31
TOTAL						2,259.41	-2,259.41
Check	6/3/99	1075	H.B. & T.S. Utility ...		Checking - 1st Uni...	-1,445.62	
				Water for Plant		1,445.62	-1,445.62
TOTAL						1,445.62	-1,445.62
Check	6/3/99	1076	Bell South		Checking - 1st Uni...	-63.99	
				Telephone		63.99	-63.99
TOTAL						63.99	-63.99
Check	6/3/99	1077	City of Franklin		Checking - 1st Uni...	-7.88	
				Water for Pump Sta...		7.88	-7.88
TOTAL						7.88	-7.88
Check	6/3/99	1078	G. W. Willis III		Checking - 1st Uni...	-1,500.00	
				On Site Management		1,500.00	-1,500.00
TOTAL						1,500.00	-1,500.00
Check	6/3/99	1079	P.B. & S. Chemical...		Checking - 1st Uni...	-1,155.35	
				Chlorine		1,155.35	-1,155.35
TOTAL						1,155.35	-1,155.35
Check	6/9/99	1080	Judy Trosper		Checking - 1st Uni...	-132.00	
				Contract Office Exp...		132.00	-132.00
TOTAL						132.00	-132.00
Check	6/9/99	1081	Rock City Machin...		Checking - 1st Uni...	-167.87	
				Plant Supplies		167.87	-167.87

Item 26 - 9/24/99
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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL						167.87	-167.87
Check	6/11/99	1082	Warner Laboratori...		Checking - 1st Uni...	-720.00	
				Laboratory Analysis		720.00	-720.00
TOTAL						720.00	-720.00
Check	6/11/99	1083	Waste Manageme...		Checking - 1st Uni...	-180.00	
				Trash Removal		180.00	-180.00
TOTAL						180.00	-180.00
Check	6/29/99	1084	Judy Trosper		Checking - 1st Uni...	-133.00	
				Contract Office Exp...		100.00	-100.00
				Postage & Delivery		33.00	-33.00
TOTAL						133.00	-133.00
Check	6/29/99	1085	City of Franklin		Checking - 1st Uni...	-7.21	
				Water for Pump Sta...		7.21	-7.21
TOTAL						7.21	-7.21
Check	6/29/99	1086	Bell South		Checking - 1st Uni...	-63.99	
				Telephone		63.99	-63.99
TOTAL						63.99	-63.99
Check	6/29/99	1087	TN Division of Wat...		Checking - 1st Uni...	-1,250.00	
				Licenses & Fees		1,250.00	-1,250.00
TOTAL						1,250.00	-1,250.00
Check	6/11/99	1088	Waste Manageme...		Checking - 1st Uni...	-1,470.00	
				Trash Removal		1,470.00	-1,470.00
TOTAL						1,470.00	-1,470.00
Check	6/29/99	1089	Combs Industrial ...		Checking - 1st Uni...	-1,982.88	
				Sludge Disposal		1,982.88	-1,982.88
TOTAL						1,982.88	-1,982.88
Check	6/29/99	1090	KraftCPAs		Checking - 1st Uni...	-2,200.00	
				Accounting		2,200.00	-2,200.00
TOTAL						2,200.00	-2,200.00
Check	7/1/99	1091	Paula Harwell		Checking - 1st Uni...	-80.00	
				Contract Office Exp...		80.00	-80.00

Item 2b - 9/24/99
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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL						80.00	-80.00
Check	7/1/99	1092	AT&T		Checking - 1st Uni...	-19.86	
				Telephone		19.86	-19.86
TOTAL						19.86	-19.86
Check	7/6/99	1093	H.B. & T.S. Utility ...		Checking - 1st Uni...	-1,385.71	
				Water for Plant		1,385.71	-1,385.71
TOTAL						1,385.71	-1,385.71
Check	7/16/99	1094	G. W. Willis III		Checking - 1st Uni...	-1,500.00	
				On Site Management		1,500.00	-1,500.00
TOTAL						1,500.00	-1,500.00
Check	7/16/99	1095	P.B. & S. Chemical...		Checking - 1st Uni...	-302.85	
				Chlorine		1,202.85	-1,202.85
				Chlorine		-900.00	900.00
TOTAL						302.85	-302.85
Check	7/16/99	1096	Warner Laboratori...		Checking - 1st Uni...	-720.00	
				Laboratory Analysis		720.00	-720.00
TOTAL						720.00	-720.00
Check	7/6/99	1097	Middle Tennessee ...		Checking - 1st Uni...	-3,337.92	
				Electricity for Pump ...		37.10	-37.10
				Electricity for Plant		3,300.82	-3,300.82
TOTAL						3,337.92	-3,337.92
Check	7/23/99	1098	Southern Sales Co...		Checking - 1st Uni...	-431.80	
				Pump Station		431.80	-431.80
TOTAL						431.80	-431.80
Check	7/23/99	1099	Waste Manageme...		Checking - 1st Uni...	-180.00	
				Trash Removal		180.00	-180.00
TOTAL						180.00	-180.00
Check	7/29/99	1100	Bell South		Checking - 1st Uni...	-66.60	
				Telephone		66.60	-66.60
TOTAL						66.60	-66.60
Check	7/29/99	1101	City of Franklin		Checking - 1st Uni...	-7.21	
				Water for Pump Sta...		7.21	-7.21

Item 26 - 9/24/99
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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL						7.21	-7.21
Check	7/29/99	1102	H.B. & T.S. Utility ...		Checking - 1st Uni...	-1,553.77	
				Water for Plant		1,553.77	-1,553.77
TOTAL						1,553.77	-1,553.77
Check	7/29/99	1103	Middle Tennessee ...		Checking - 1st Uni...	-1,476.86	
				Electricity for Pump ...		38.85	-38.85
				Electricity for Plant		1,438.01	-1,438.01
TOTAL						1,476.86	-1,476.86
Check	7/29/99	1104	Combs Industrial ...		Checking - 1st Uni...	-8,559.36	
				Sludge Disposal		2,079.00	-2,079.00
				Sludge Disposal		2,322.00	-2,322.00
				Sludge Disposal		2,079.36	-2,079.36
				Sludge Disposal		2,079.00	-2,079.00
TOTAL						8,559.36	-8,559.36
Check	8/5/99	1105	G. W. Willis III		Checking - 1st Uni...	-1,500.00	
				On Site Management		1,500.00	-1,500.00
TOTAL						1,500.00	-1,500.00
Check	8/5/99	1106	Judy Trosper		Checking - 1st Uni...	-100.00	
				Contract Office Exp...		100.00	-100.00
TOTAL						100.00	-100.00
Check	8/5/99	1107	Paula Harwell		Checking - 1st Uni...	-140.00	
				Contract Office Exp...		140.00	-140.00
TOTAL						140.00	-140.00
Check	8/23/99	1108	Waste Manageme...		Checking - 1st Uni...	-108.33	
				Trash Removal		108.33	-108.33
TOTAL						108.33	-108.33
Check	8/23/99	1109	Warner Laboratori...		Checking - 1st Uni...	-720.00	
				Laboratory Analysis		720.00	-720.00
TOTAL						720.00	-720.00
Check	8/23/99	1110	P.B. & S. Chemical...		Checking - 1st Uni...	-892.55	
				Chlorine		892.55	-892.55
TOTAL						892.55	-892.55
Check	8/23/99	1111	Davidson & Golde...		Checking - 1st Uni...	-300.00	

Item 2b-9/24/99
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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Numb	Name	Item	Account	Original Amount	Paid Amount
TOTAL					Accounting	300.00	-300.00
						300.00	-300.00
Check	8/27/99	1112			Checking - 1st Uni...	0.00	
TOTAL						0.00	0.00
Check	8/23/99	1113	Combs Industrial ...		Checking - 1st Uni...	-3,965.76	
					Sludge Disposal	1,982.88	-1,982.88
					Sludge Disposal	1,982.88	-1,982.88
TOTAL						3,965.76	-3,965.76
Check	8/27/99	1114	Judy Trosper		Checking - 1st Uni...	-80.00	
					Contract Office Exp...	80.00	-80.00
TOTAL						80.00	-80.00
Check	8/27/99	1115	G. W. Willis III		Checking - 1st Uni...	-1,500.00	
					On Site Management	1,500.00	-1,500.00
TOTAL						1,500.00	-1,500.00
Check	8/27/99	1116	City of Franklin		Checking - 1st Uni...	-7.21	
					Water for Pump Sta...	7.21	-7.21
TOTAL						7.21	-7.21
Check	8/27/99	1117	Bell South		Checking - 1st Uni...	-65.23	
					Telephone	65.23	-65.23
TOTAL						65.23	-65.23
Check	8/27/99	1118	H.B. & T.S. Utility ...		Checking - 1st Uni...	-1,558.64	
					Water for Plant	1,558.64	-1,558.64
TOTAL						1,558.64	-1,558.64
Check	8/27/99	1119	Paula Harwell		Checking - 1st Uni...	-125.00	
					Contract Office Exp...	125.00	-125.00
TOTAL						125.00	-125.00
Check	8/27/99	1120	Middle Tennessee ...		Checking - 1st Uni...	-392.20	
					Electricity for Pump ...	37.10	-37.10
					Electricity for Plant	355.10	-355.10
TOTAL						392.20	-392.20
Check	9/8/99	1121	Alley & Associates		Checking - 1st Uni...	-280.00	
					105 Legends Ridge	130.00	-130.00
					111 Legends Ridge	130.00	-130.00

Item 26-9/24/99
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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL						260.00	-260.00
Check	9/9/99	1122	Warner Laboratori...		Checking - 1st Uni...	-790.00	
				Laboratory Analysis		790.00	-790.00
TOTAL						790.00	-790.00
Check	9/9/99	1123	KraftCPAs		Checking - 1st Uni...	-53.25	
				Accounting		53.25	-53.25
TOTAL						53.25	-53.25
Check	9/9/99	1124	Combs Industrial ...		Checking - 1st Uni...	-3,607.20	
				Sludge Disposal		1,807.20	-1,807.20
				Sludge Disposal		1,800.00	-1,800.00
TOTAL						3,607.20	-3,607.20
Check	9/21/99	1125	Alley & Associates		Checking - 1st Uni...	-130.00	
				416 Legends Ridge		130.00	-130.00
TOTAL						130.00	-130.00
Check	9/21/99	1126	City of Franklin		Checking - 1st Uni...	-7.88	
				Water for Pump Sta...		7.88	-7.88
TOTAL						7.88	-7.88
Check	9/21/99	1127	TN Assoc. of Utilit...		Checking - 1st Uni...	-35.00	
				Membership Dues		35.00	-35.00
TOTAL						35.00	-35.00
Check	9/21/99	1128	P.B. & S. Chemical...		Checking - 1st Uni...	-371.60	
				Chlorine		1,071.60	-1,071.60
				Chlorine		-700.00	700.00
TOTAL						371.60	-371.60
Check	9/21/99	1129	Davidson & Golde...		Checking - 1st Uni...	-120.00	
				Accounting		120.00	-120.00
TOTAL						120.00	-120.00
Check	9/30/99	1130	Bell South		Checking - 1st Uni...	-67.31	
				Telephone		67.31	-67.31
TOTAL						67.31	-67.31
Check	9/30/99	1131	H.B. & T.S. Utility ...		Checking - 1st Uni...	-1,249.31	
				Water for Plant		1,249.31	-1,249.31

Item 26-9/24/99
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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
TOTAL						1,249.31	-1,249.31
Check	9/30/99	1132	Warner Laboratori...		Checking - 1st Uni...	-305.00	
				Laboratory Analysis		305.00	-305.00
TOTAL						305.00	-305.00
Check	9/30/99	1133	G. W. Willis III		Checking - 1st Uni...	-1,600.00	
				On Site Management		1,500.00	-1,500.00
TOTAL						1,500.00	-1,500.00
Check	9/30/99	1134	Middle Tennessee ...		Checking - 1st Uni...	-2,379.15	
				Electricity for Pump ...		37.10	-37.10
				Electricity for Plant		2,342.05	-2,342.05
TOTAL						2,379.15	-2,379.15
Check	9/30/99	1135	TN Assoc. of Utilit...		Checking - 1st Uni...	-25.00	
				Membership Dues		25.00	-25.00
TOTAL						25.00	-25.00
Check	9/30/99	1136	Franklin Publishin...		Checking - 1st Uni...	-70.33	
				1851 - Deferred Cos...		70.33	-70.33
TOTAL						70.33	-70.33
Check	10/1/99	1137	Thornton & Harwe...		Checking - 1st Uni...	-5,643.00	
				Auto Insurance		310.00	-310.00
				Liability		1,759.00	-1,759.00
				Workers Compensa...		799.00	-799.00
				Umbrella		2,775.00	-2,775.00
TOTAL						5,643.00	-5,643.00
Check	10/1/99	1138	Paula Harwell		Checking - 1st Uni...	-40.00	
				Contract Office Exp...		40.00	-40.00
TOTAL						40.00	-40.00
Check	10/4/99	1139	Target		Checking - 1st Uni...	-54.10	
				Office Supplies		21.64	-21.64
				Office Supplies		32.46	-32.46
TOTAL						54.10	-54.10
Check	10/5/99	1140	Judy Trosper		Checking - 1st Uni...	-72.00	
				Contract Office Exp...		72.00	-72.00
TOTAL						72.00	-72.00
Check	1/14/99	1399	G. W. Willis III		Checking Account	-59.64	

Item 26 - 9/24/99

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Lynnwood Utilities Corporation
Check Detail
January through December 1999

10/11/99

Type	Date	Num	Name	Item	Account	Original Amount	Paid Amount
					Plant Supplies	59.64	-59.64
TOTAL						59.64	-59.64

RESPONSE NO. 3

LYNNWOOD UTILITY CORPORATION					
DETAIL OF FIXED ASSETS					
FOR YEAR ENDING 12/31/98					
Description	Account Number	Service Life	Rate Applied	Original Cost	Current Depr
Land	353	N/A	N/A	75,000.00	-
Totals for Account Number				75,000.00	-
Blower & Sump Pump	354	20	6.7630%	2,405.48	162.68
Pump Repairs	354	20	6.7630%	6,104.23	412.83
Plant - Overhaul & Improve	354	20	6.7630%	56,372.13	3,812.45
Manhole Raising	354	20	6.7630%	6,180.71	418.00
Meter	354	20	6.7630%	1,484.35	100.39
Major Repair - Sludge Tank	354	20	6.7630%	15,095.77	1,020.93
Major Repair - Gear	354	20	6.7630%	3,232.04	218.58
Totals for Account Number				90,874.72	6,145.86
Pump	371	20	6.7630%	184.07	12.45
Meter & Probe	371	20	6.7630%	1,470.84	99.47
Pumping Equipment	371	20	6.7630%	40,137.24	2,714.48
Pumping Equipment	371	20	6.7630%	565.23	38.23
Air Conditioner	371	20	6.7630%	883.10	59.72
Engineering Fees	371	20	6.7630%	7,818.38	528.76
Major Repair - Sludge Pipes	371	20	6.7630%	11,775.76	796.39
Totals for Account Number				62,834.63	4,249.51
Concrete Trunkage	380	20	6.7630%	127,361.93	8,613.49
Mechanical & Electrical	380	20	6.7630%	106,008.99	7,169.39
Pump Stations	380	20	6.7630%	8,625.96	583.37
Control Building	380	20	6.7630%	24,646.04	1,666.81
Motor for Plant	380	20	6.7630%	1,103.24	74.61
1997 Equipment Additions	380	20	6.7630%	54,711.77	3,700.16
1998 Equipment Additions	380	20	3.7498%	268,091.00	10,052.88
Totals for Account Number				590,548.93	31,860.71
Tractor	391	20	6.7630%	3,544.50	239.71
Totals for Account Number				3,544.50	239.71
TOTALS :				822,802.77	42,495.78

RESPONSE NO. 5

Item 5-9/24/99
1 of 5 10/13/99

Summary

Proposed Tap Fee Revenue
based on \$ 2,750.00 per lot

Cottonwood	0
Miscellaneous	0
Legends Ridge	55
River Landing	60
Other	0
SUBTOTAL	115

Cottonwood	\$ -
Miscellaneous	\$ -
Legends Ridge	\$ 151,250.00
River Landing	\$ 165,000.00
Other	\$ -
SUBTOTAL	\$ 316,250.00

Item 5 - 9/24/99
3 of 5

10/13/99

2000 Tap

Proposed Tap Fee Revenue		TAPS PURCHASED BY MONTH												2000 TOTAL	
based on	\$ 2,750.00	per lot	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00	
Cottonwood															0
Miscellaneous															0
Legends Ridge	1		1	1	1	1	1	1	1	1	1	1	1	1	12
River Landing	1		1	1	1	1	1	1	1	1	1	1	1	1	20
Other															0
SUBTOTAL	2		2	2	2	3	3	3	3	3	3	3	3	2	32
TAP REVENUE BY MONTH		TAP REVENUE BY MONTH												2000 TOTAL	
		Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00		
Cottonwood	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legends Ridge	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 33,000.00
River Landing	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 55,000.00
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 88,000.00

2002 Tap

Proposed Tap Fee Revenue		TAPS PURCHASED BY MONTH												2002 TOTAL	
based on	\$ 2,750.00	per lot	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	
Cottonwood															0
Miscellaneous															0
Legends Ridge	1		1	1	1	1	1	1	1	1	1	1	1	1	11
River Landing	1		1	1	2	2	2	2	2	2	2	2	2	1	20
Other															0
SUBTOTAL	2	2	2	2	3	3	3	3	3	3	3	3	3	1	31
TAP REVENUE BY MONTH		TAP REVENUE BY MONTH												2002 TOTAL	
		Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02		
Cottonwood	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legends Ridge	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ -	\$ 30,250.00
River Landing	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 2,750.00	\$ 55,000.00
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 8,250.00	\$ 8,250.00	\$ 8,250.00	\$ 8,250.00	\$ 8,250.00	\$ 8,250.00	\$ 8,250.00	\$ 8,250.00	\$ 8,250.00	\$ 8,250.00	\$ 2,750.00	\$ 85,250.00

Item 5-9/24/99
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RESPONSE NO. 6

Item 6 - 9/24/99
10/13/99
1 of 5

Summary

Proposed Sewer Connection Fee Revenue
based on \$ 250.00 per lot

Cottonwood	0
Miscellaneous	0
Legends Ridge	55
River Landing	60
Other	0
SUBTOTAL	115

Cottonwood	\$ -
Miscellaneous	\$ -
Legends Ridge	\$ 13,750.00
River Landing	\$ 15,000.00
Other	\$ -
SUBTOTAL	\$ 28,750.00

10/13/99

2000 Connect

Proposed Sewer Connection Fee Revenue														
based on \$ 250.00 per lot														

2001 Connect

10/13/99

Proposed Sewer Connection Fee Revenue														
based on \$ 250.00 per lot														

Item 6 - 9/24/99
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2002 Connect

10/13/99

Proposed Sewer Connection Fee Revenue		CONNECTION FEES PURCHASED BY MONTH												2002 TOTAL	
based on \$ 250.00 per lot		Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02		
Cottonwood															
Miscellaneous															
Legends Ridge	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0
River Landing	1	1	1	2	2	2	2	2	2	2	2	2	2	1	11
Other															20
SUBTOTAL	2	2	2	2	3	3	3	3	3	3	3	3	3	1	0
															31
		CONNECTION FEE REVENUE BY MONTH													
		Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	2002 TOTAL	
Cottonwood	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legends Ridge	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 2,750.00	\$ -
River Landing	\$ 250.00	\$ 250.00	\$ 250.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 2,500.00	\$ 5,000.00
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 7,750.00	\$ 7,750.00

Item 6-9/24/99
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RESPONSE NO. 7

Summary

Item 7 - 9/24/99
10/13/99
1 of 5

Proposed Capacity Used per day (on average) by Subdivision
based on **260** average gallons per day per unit

CAPACITY	200,000	400,000	400,000	400,000
	1999	2000	2001	2002
Cottonwood	1,510,080	1,510,080	1,510,080	1,510,080
Miscellaneous	12,480	12,480	12,480	12,480
Legends Ridge	178,620	226,200	263,640	301,080
River Landing	-	31,720	94,120	156,520
Other	-	-	-	-
SUBTOTAL	1,701,180	1,780,480	1,880,320	1,980,160
% Capacity Used	70.9%	37.1%	39.2%	41.3%
Capacity Available	698,820	3,019,520	2,919,680	2,819,840
% Capacity Available	29.1%	62.9%	60.8%	58.7%

1999 Capacity

10/13/99

Proposed Capacity Used per day (on average) by Subdivision		260 average gallons per day per unit											
based on		200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
CAPACITY		200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
HOUSEHOLDS BY SUBDIVISION BY MONTH													
	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	
Cottonwood	484	484	484	484	484	484	484	484	484	484	484	484	
Miscellaneous	4	4	4	4	4	4	4	4	4	4	4	4	
Legends Ridge	46	46	46	46	61	61	61	62	63	64	65	66	
River Landing													
Other													
SUBTOTAL	534	534	534	534	549	549	549	550	551	552	553	554	
AVERAGE CAPACITY USED PER DAY BY SUBDIVISION BY MONTH													
	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	1999 TOTAL
Cottonwood	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	1,510,080
Miscellaneous	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	12,480
Legends Ridge	11,960	11,960	11,960	11,960	15,860	15,860	15,860	16,120	16,380	16,640	16,900	17,160	178,620
River Landing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL	138,840	138,840	138,840	138,840	142,740	142,740	142,740	143,000	143,260	143,520	143,780	144,040	1,701,180
Actual Treated	215,839	171,643	176,097	146,067	152,032	142,367	135,161	138,355					
% Capacity Used	107.9%	86.8%	88.0%	73.0%	76.0%	71.2%	67.6%	69.2%	71.6%	71.8%	71.9%	72.0%	
Actual Available	(15,839)	28,357	23,903	53,933	47,968	57,633	64,839	61,645					
Capacity Available	61,160	61,160	61,160	61,160	57,260	57,260	57,260	57,000	56,740	56,480	56,220	55,960	
% Capacity Available	-7.9%	14.2%	12.0%	27.0%	24.0%	28.8%	32.4%	30.8%	28.4%	28.2%	28.1%	28.0%	
Rainfall (in inches)	11.2	3.7	5.6	3.7	5.2	6.9	2.8	1.3					

Bold Percentages are based on Actual Historical Data. Because of infiltration problems (which are being addressed as part of expansion), the plant treats stormwater in rainy seasons.

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2000 Capacity

Proposed Capacity Used per day (on average) by Subdivision		260 average gallons per day per unit											
based on		400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
CAPACITY		400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
HOUSEHOLDS BY SUBDIVISION BY MONTH													
Cottonwood	Jan-00	484	484	484	484	484	484	484	484	484	484	484	484
Miscellaneous	Feb-00	4	4	4	4	4	4	4	4	4	4	4	4
Legends Ridge	Mar-00	67	68	69	70	71	72	73	74	75	76	77	78
River Landing	Apr-00	1	2	3	5	7	9	11	13	15	17	19	20
Other	May-00	556	558	560	563	566	569	572	575	578	581	584	586
SUBTOTAL	Jun-00												
	Jul-00												
	Aug-00												
	Sep-00												
	Oct-00												
	Nov-00												
	Dec-00												
AVERAGE CAPACITY USED PER DAY BY SUBDIVISION BY MONTH													
Cottonwood	Jan-00	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840
Miscellaneous	Feb-00	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040
Legends Ridge	Mar-00	17,420	17,680	17,940	18,200	18,460	18,720	18,980	19,240	19,500	19,760	20,020	20,280
River Landing	Apr-00	260	520	780	1,300	1,820	2,340	2,860	3,380	3,900	4,420	4,940	5,200
Other	May-00	144,560	145,080	145,600	146,380	147,160	147,940	148,720	149,500	150,280	151,060	151,840	152,360
% Capacity Used	Jun-00	36.1%	36.3%	36.4%	36.6%	36.8%	37.0%	37.2%	37.4%	37.6%	37.8%	38.0%	38.1%
Capacity Available	Jul-00	255,440	254,920	254,400	253,620	252,840	252,060	251,280	250,500	249,720	248,940	248,160	247,640
% Capacity Available	Aug-00	63.9%	63.7%	63.6%	63.4%	63.2%	63.0%	62.8%	62.6%	62.4%	62.2%	62.0%	61.9%
	Sep-00												
	Oct-00												
	Nov-00												
	Dec-00												
	2000 TOTAL												

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10/13/99

2001 Capacity

Proposed Capacity Used per day (on average) by Subdivision		260 average gallons per day per unit											
based on													
CAPACITY	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
HOUSEHOLDS BY SUBDIVISION BY MONTH													
Cottonwood	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	
Miscellaneous	484	484	484	484	484	484	484	484	484	484	484	484	484
Legends Ridge	79	80	81	82	83	84	85	86	87	88	89	90	4
River Landing	21	22	23	25	27	29	31	33	35	37	39	40	
Other													
SUBTOTAL	588	590	592	595	598	601	604	607	610	613	616	618	
AVERAGE CAPACITY USED PER DAY BY SUBDIVISION BY MONTH													
Cottonwood	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	2001 TOTAL
Miscellaneous	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	1,510,080
Legends Ridge	20,540	20,800	21,060	21,320	21,580	21,840	22,100	22,360	22,620	22,880	23,140	23,400	12,480
River Landing	5,460	5,720	5,980	6,500	7,020	7,540	8,060	8,580	9,100	9,620	10,140	10,400	263,640
Other													94,120
SUBTOTAL	152,880	153,400	153,920	154,700	155,480	156,260	157,040	157,820	158,600	159,380	160,160	160,880	1,880,320
% Capacity Used	38.2%	38.4%	38.5%	38.7%	38.9%	39.1%	39.3%	39.5%	39.7%	39.8%	40.0%	40.2%	
Capacity Available	247,120	246,600	246,080	245,300	244,520	243,740	242,960	242,180	241,400	240,620	239,840	239,320	
% Capacity Available	61.8%	61.7%	61.5%	61.3%	61.1%	60.9%	60.7%	60.5%	60.4%	60.2%	60.0%	59.8%	

2002 Capacity

Proposed Capacity Used per day (on average) by Subdivision		260 average gallons per day per unit											
based on													
CAPACITY	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
HOUSEHOLDS BY SUBDIVISION BY MONTH													
Cottonwood	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	
Miscellaneous	484	484	484	484	484	484	484	484	484	484	484	484	484
Legends Ridge	4	4	4	4	4	4	4	4	4	4	4	4	4
River Landing	91	92	93	94	95	96	97	98	99	100	101	102	102
Other	41	42	43	45	47	49	51	53	55	57	59	60	60
SUBTOTAL	620	622	624	627	630	633	636	639	642	645	648	650	650
AVERAGE CAPACITY USED PER DAY BY SUBDIVISION BY MONTH													
Cottonwood	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	2002 TOTAL
Miscellaneous	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	125,840	1,510,080
Legends Ridge	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	12,480
River Landing	23,660	23,920	24,180	24,440	24,700	24,960	25,220	25,480	25,740	26,000	26,260	26,520	301,080
Other	10,660	10,920	11,180	11,700	12,220	12,740	13,260	13,780	14,300	14,820	15,340	15,600	156,520
SUBTOTAL	161,200	161,720	162,240	163,020	163,800	164,580	165,360	166,140	166,920	167,700	168,480	169,000	1,980,160
% Capacity Used	40.3%	40.4%	40.6%	40.8%	41.0%	41.1%	41.3%	41.5%	41.7%	41.9%	42.1%	42.3%	
Capacity Available	238,800	238,280	237,760	236,980	236,200	235,420	234,640	233,860	233,080	232,300	231,520	231,000	
% Capacity Available	59.7%	59.6%	59.4%	59.2%	59.1%	58.9%	58.7%	58.5%	58.3%	58.1%	57.9%	57.8%	

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RESPONSE NO. 8

E. ROBERTS
**Alley &
Associates**
INCORPORATED

P. O. Box 2365
Brentwood, TN 37024-2365

230 Wilson Pike Circle
Brentwood, TN 37027

Corporate Office
615-373-1567
Fax: 615-373-3697

www.eralley.com
info@eralley.com

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**EXHIBIT A
EXPANSION PLAN
(Utilities Agreement)**

East TN Office
423-745-2419

West TN Office
901-521-9743

February 17, 1998

Mr. Dave Terry
Lynnwood Utility Corporation
P.O. Box 1264
Franklin, Tennessee 37065-1264

RE: *Sewage Treatment Plant Expansion
ERA&A Proposal No. W-98006*

Dear Mr. Terry:

After reviewing the letters and reports that were prepared for the expansion of the plant the following are my comments:

1. Originally an Engineering Report was submitted to the State for the Sewage Plant to be expanded in two phases. Phase 1 would have been designed for an average daily flow of 400,000 gpd and a peak daily flow of 578,340 gpd. Phase 2 would be designed for an average daily flow of 600,000 gpd and a peak daily flow of 1,301,000 gpd. After I submitted this report, Mr. Tim Perry had me contact the State to get the report back and to revise it for expansion in three phases. It was my understanding, from Mr. Perry that the reason that the report was to be revised was because the existing Subdivisions of Hillsboro Acres, Meadowgreen and Farmington was not interested in participating in the expansion, therefore the flow that they would produce would not need to be designed for at this time.
2. The Engineering Report was revised and re-submitted to the State for approval. This report was approved by the State for expansion of the plant in three phases. Phase 1 is designed for an average daily flow of 200,000 gpd and a peak daily flow of 401,000 gpd. Phase 2 will expand the plant to an average daily flow of 400,000 gpd and a peak daily flow of 851,000 gpd. Phase 3 will expand the plant to an average daily flow of 600,000 gpd and a peak daily flow of 1,301,000 gpd.
3. When the plans were prepared for the current expansion the average daily design and peak design flows were based on the following:
 - A. Average Daily Flow

Cottonwood and Walnut Grove Elementary School:	125,720 gpd
Legends Ridge 150 Homes:	<u>52,500 gpd</u>
	178,220 gpd
 - B. Daily Peak Flow

Cottonwood and Walnut Grove Elementary School And Legends Ridge	400,995 gpd
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Lynnwood Utility District
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February 17, 1998

The plant design is based on State design criteria for either the daily average or peak daily flows controlling the design. In this case the peak flow controlled the design of the aeration basin requirements. When both aeration basins are reworked and in operation the maximum peak flow that they can handle is 401,000 gpd and still meet the required minimum detention times. The new clarifier should be satisfactory to handle an average daily flow of 400,000 gpd and a peak flow of 851,000 gpd.

4. In order to expand the facility to the Phase 2 requirements for an average daily flow of 400,000 gpd and a peak daily flow of 851,000 gpd a new aeration basin will be required along with new sludge holding basin. Also some work will be required for new or additional chlorine and dechlorination facilities, electrical expansion, new or reworked influent pump station and expanded sludge handling facilities.

Therefore based on the above described design phases the sewage treatment plant will need another expansion in order to handle any additional peak flows after all of Legend Ridge Subdivision has come on line.

The estimated construction cost for expanding the sewage plant to an average daily flow of 400,000 gpd and a peak flow of 851,000 gpd will be as follows:

Sewage Pumping Station:	\$104,500.00
Concrete Extended Aeration: 200,000 gpd expansion x \$3.60/gallon =	<u>\$720,000.00</u>

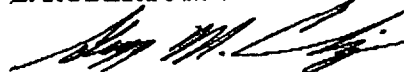
Estimated Total Construction Cost: \$824,500.00

Engineering fee for preparing construction plans, construction specifications, and submitting plans and specifications to State for Approval.

Estimated Construction Cost $824,500.00 \times 7\% =$ \$57,715.00

If you wish for us to proceed with the construction plans and specifications please let me know and I will prepare a Standard Form of Agreement Between Owner and Engineer for Professional Services. We can begin work on this project immediately and should be able to complete plans and specifications within four months after a contract has been executed.

Sincerely,
E. ROBERTS ALLEY & ASSOCIATES, INC.


Gregg M. Clingerman, P.E.

GMC/tds

cc: Lem Stevens, Jr.
Bill Cleland

RESPONSE NO. 9

Lynnwood Draw
10/1/98EXHIBIT B
(Utilities Agreement)
1st Amendment

		Budget	Pd. to Date	% Complete	This Draw
1. Alley & Associates	Engineering	\$ 65,000			
	Inspections	\$ 5,500			
	State Fees	\$ 2,500			
	Environmental	\$ 2,500			
	Consultant	\$ 6,800			
2. Tenn. Contractors	Sludge Removal	\$ 34,400			
	Aeration Basins	\$ 400,000			
	Section 1	\$ 65,500			
	Manholes	\$ 34,500			
3. Impact	Transition Work	\$ 105,000			
4. S.K.I., Inc.	I/T Clean & Inspection	\$ 48,000			
5. Hauling		\$ 5,600			
6. Cedar Ridge	Land Fill	\$ 20,000			
7. Water, Inc./Russ Parham	Chlorine	\$ 10,000			
	Electric	\$ 5,000			
	Engineering	\$ 5,000			
8. Chip Willis	Consulting/Labor	\$ 12,000			
9. Miscellaneous		\$ 25,000			
10. Contingency		\$ 50,000			
TOTAL		\$ 900,000			

EXHIBIT C

10/1/98

(Utilities Agreement)
1st Amendment*Lynnwood Draw*

Tenn Contractors	#2	\$	65,500.00
Impact Construction	#3	\$	101,731.00
S.K.I.	#4	\$	28,270.65
<u>Russ Parham/Water Inc.</u>	#7	\$	<u>3,202.56</u>
		\$	198,704.21

RESPONSE NO. 10

Funds to be Advanced by Lumbermen's for Expansion

as of 10/11/99

	Budget
Phase I Improvements	
Sludge Removal & Hauling	\$ 34,400.00
Sludge Disposal Fees	\$ 15,000.00
Labor for Clarifier	\$ 3,200.00
Clean, TV & Inspect Existing Lines	\$ 42,000.00
Engineering Review of Line Inspections	\$ 6,750.00
Aeration Tank Modifications & Misc. Addtl Work	\$ 101,750.00
Complete Phase I	\$ 65,500.00
Repairs to Existing Lines	\$ 100,000.00
Phase II Soft Costs	
Engineering for Design	\$ 62,715.00
Extra Engineering	\$ 12,000.00
Engineering Inspections of New Lines in Subdivisions	\$ 6,500.00
Landscape Planning	\$ 750.00
Marketing & Public Relations	\$ 6,500.00
Professional Engineering Consultant	\$ 7,500.00
Legal	\$ 85,000.00
Feasibility Study to add Existing Subdivisions	\$ 10,000.00
Miscellaneous	\$ 1,800.00
Phase II Improvements per Construction Drawings	
Grading & Excavation	\$ 52,000.00
Aeration Basin	\$ 159,000.00
Splitter Box	\$ 29,000.00
Pipe Installation	\$ 63,189.21
Aerators	\$ 48,000.00
Aerator Control Panel	\$ 19,000.00
Electrical	\$ 34,000.00
Filter Press	\$ 36,000.00
Relocate Underground Utilities	\$ 27,000.00
Rework Building	\$ 34,000.00
Fencing	\$ 8,000.00
Chemical Feed Systems	\$ 36,000.00
Chemical Proof Doors	\$ 9,000.00
Chlorinator & Sulfur Dioxide Equipment	\$ 9,316.00
Contingency	\$ 140,000.00
EXTRAS	
Alarms on Clarifier & Pumps	\$ 3,000.00
Blowers	\$ 75,000.00
Concrete Joints	\$ 10,000.00
Check Valve & Impellers for Lift Station	\$ 7,500.00
Electrical Rehabilitation	\$ 10,000.00
Bar Screen	\$ 10,000.00
Correct Dead Areas at Dosing	\$ 2,500.00
Inject Chlorine into Line	\$ 1,000.00
Extend Fencing around back of plant	\$ 2,500.00
Paint Fencing	\$ 2,000.00
Rework Aesthetics of Building	\$ 10,000.00
Landscaping	\$ 15,000.00
Pump or Air Diaphragm for Return Sludge	\$ 40,000.00

GRAND TOTAL OF BUDGET \$ 1,453,370.21**CREDITS**

Capital Cost to the River Landing Project	\$ (397,664.57)
Tap Fees from Legends Ridge & River Landing	\$ (793,000.00)

BALANCE OWED TO LUMBERMEN's \$ 262,705.64

Funds Advanced to date by Lumbermen's for Operations

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as of 10/11/99

	Cost to Date
RATE ADJUSTMENT	
Legal	\$ 3,801.75
Accounting	\$ 2,835.00
OPERATION SHORTFALL	
Sludge Removal & Hauling	\$ 26,210.88
Property Taxes	\$ 7,495.78
Electricity	\$ 1,476.86
Insurance	\$ 5,643.00
GRAND TOTAL OF INVESTMENT TO DATE	\$ 47,463.27

RESPONSE NO. 11

Lynwood Utility Corporation

Job Descriptions

CURRENT JOB POSITIONS:

Wastewater Treatment Plant Operator – The Wastewater Treatment Plant Operator provides daily inspection and operation of treatment system on site. He maintains the equipment, collects samples and conducts testing as required by the N.P.D.E.S. permit. He provides notifications when required and prepares reports to the regulatory agencies.

Off Site Management / Overhead – The Off Site Manager oversees the overall operation of the facility. This includes managing the Wastewater Treatment Plant Operator, Bookkeeper and Customer Service / Administrative Assistant. He is responsible for hiring professionals to ensure that governmental requirements are adhered to. This includes filing annual tax returns and regulatory reporting functions. Further, He is responsible for establishing a rate system that ensures that the plant operates efficiently. The Plant Manager is involved in the daily operation of the facility, processes all accounts payable, prepares and reviews financial reports and maintains a current roster of customers.

Contract Office Expense (Bookkeeper) – The responsibilities of this job include data entry of all payments by customers. Additionally, the Bookkeeper prepares reports to help monitor accounts receivable.

Contract Office Expense (Customer Service / Administrative Assistant) – The Administrative Assistant goes to the post office box to retrieve the mail, opens it and forwards it to the appropriate parties. He makes record of all payments and deposits all checks submitted. As Customer Service Representative, he signs up new customers and oversees correspondence with existing customers who have questions about their bills. He also monitors all incoming phone calls.

PROPOSED JOB POSITIONS:

Wastewater Treatment Plant Operator – The Wastewater Treatment Plant Operator will continue his existing job responsibilities for the plant which will have doubled in size. Also, he will have to ensure that the plant performs efficiently within additional more stringent parameters required by the new permit.

Manager Salary – The Manager will assume all of the responsibilities of the Off Site Manager / Overhead.

Clerical Salary – The clerical position will be responsible for maintaining communications with the water utilities (City of Franklin & H.B. & T.S.) to keep a current roster of all customers. He will handle incoming mail, phone calls and customer relations. He will post monthly service payments.

NOTE: Included within the Manager and Clerical Salary is overhead associated with office space and equipment (such as copier, computer, fax, etc.). There will no longer be an ongoing need for contract office employees.

RESPONSE NO. 13

CITY OF FRANKLIN
WATER & SEWER RATES

CUSTOMERS INSIDE CITY

CUSTOMERS OUTSIDE CITY

WATER RATES

First 1500 gallons	3.92 (Minimum Bill) = 3.92	6.66 (Minimum Bill)= 6.66	
Next 3500 gallons	@ 2.25 per 1000 gallons = 7.88	@3.83 per 1000 gallons	= 13.40
Next 5000 gallons	@ 2.32 per 1000 gallons = 11.60	@3.94 per 1000 gallons	= 19.70
Next 5000 gallons	@ 2.44 per 1000 gallons = 12.20	@4.15 per 1000 gallons	= 20.75
Next 5000 gallons	@ 2.56 per 1000 gallons = 12.80	@4.35 per 1000 gallons	= 21.75
Next 30,000 gallons	@ 1.83 per 1000 gallons = 54.90	@3.11 per 1000 gallons	= 93.30
Next 50,000 gallons	@ 1.46 per 1000 gallons = 73.00	@2.48 per 1000 gallons	=124.00
Next 400,000 gallons	@ 1.28 per 1000 gallons =512.00	@2.18 per 1000 gallons	=872.00
All over 500,000	@ 1.15 per 1000 gallons	@1.96 per 1000 gallons	

Where applicable, the following fees must be added to the water fee to equal the total amount.

Sales tax: 8.25% of the water fee

Sewer fee: 85% of the water fee

State Sewer Fee: 5% of the sewer fee

H.B. & T.S. UTILITY DISTRICT OF WILLIAMSON COUNTY

SCHEDULE OF RATES AND CHARGES

1. Monthly Service Rates - Residential and Commercial

WATER METER SIZE	MONTHLY MINIMUM BILL	INCLUDES NO. GALLONS PER MONTH
5/8"	\$ 12.00	1,700
3/4"	\$ 15.32	2,800
1"	\$ 25.53	4,500
1 1/4"	\$ 38.30	8,500
1 1/2"	\$ 51.06	11,500
2"	\$ 81.70	19,500
3"	\$204.24	50,000
4"	\$358.53	88,500
6"	\$921.60	240,000
8"	\$1792.00	448,000

All water delivered in excess of the gallons per month included for the minimum bill shall be purchased at the rate of \$4.50 per thousand gallons.

Sales and other applicable taxes shall be added.

2. Tapping Fees

WATER METER SIZE	TAPPING FEES
5/8"	\$ 1,300.00
3/4"	\$ 1,700.00 + cost
1"	\$ 2,200.00 + cost
1 1/4"	\$ 2,400.00 + cost
1 1/2"	\$ 2,600.00 + cost
2"	\$ 3,400.00 + cost
3"	\$ 5,100.00 + cost
4"	\$ 6,600.00 + cost
6"	\$ 8,600.00 + cost
8"	\$ 16,000.00 + cost

Adopted 2-24-99