

JAN 19 1999

**CLASS "C"**

**WATER AND/OR WASTEWATER UTILITIES**

(Gross Revenue of Less Than \$150,000 Each)

# ANNUAL REPORT

WS672  
Highlands Ridge Associates, Inc.  
3003 East Fairway Vista Drive  
Avon Park, FL 33825-6001

28

OFFICIAL COPY  
DIVISION OF  
WATER AND SEWER  
Do Not Remove from this Office

544-W 474-S

Certificate Number(s)

RECEIVED

AUG - 9 1999

Florida Public Service Commission  
Division of Water and Wastewater

Submitted To The

**STATE OF FLORIDA**



**PUBLIC SERVICE COMMISSION**

FOR THE

**YEAR ENDED DECEMBER 31, 19 98**

## TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Identification	F-2
Income Statement	F-3
Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation and Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long Term Debt	F-6
Taxes Accrued	F-7
Payment for Services Rendered by Other Than Employees	F-7
Contributions in Aid of Construction	F-8
Cost of Capital Used for AFUDC Calculation	F-9
AFUDC Capital Structure Adjustments	F-10
WATER OPERATING SECTION	PAGE
Water Utility Plant Accounts	W-1
Analysis of Accumulated Depreciation by Primary Account - Water	W-2
Water Operation and Maintenance Expense	W-3
Water Customers	W-3
Pumping and Purchased Water Statistics and Mains	W-4
Wells and Well Pumps, Reservoirs, and High Service Pumping	W-5
Other Water System Information	W-6
WASTEWATER OPERATING SECTION	PAGE
Wastewater Utility Plant Accounts	S-1
Analysis of Accumulated Depreciation by Primary Account - Wastewater	S-2
Wastewater Operation and Maintenance Expense	S-3
Wastewater Customers	S-3
Pumping Equipment, Collecting and Force Mains and Manholes	S-4
Other Wastewater System Information	S-5
VERIFICATION SECTION	PAGE
Verification	V-1

**FINANCIAL  
SECTION**

REPORT OF

HIGHLANDS RIDGE ASSOCIATES, INC  
(EXACT NAME OF UTILITY)

3003 FAIRWAY VISTA DR  
AVON PARK, FL 33825  
Mailing Address

SAME  
Street Address

HIGHLANDS  
County

Telephone Number 941-471-9976

Date Utility First Organized 11/192

Check the business entity of the utility as filed with the Internal Revenue Service:

Individual  Sub Chapter S Corporation  1120 Corporation  Partnership

Name, Address and phone where records are located: ABOVE

Name of subdivisions where services are provided: HIGHLANDS RIDGE

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: ROB REED	CONTROLLER	SAME AS ABOVE	
Person who prepared this report: ROB REED	CONTROLLER		
Officers and Managers: JOHN B. JUVE	PRESIDENT		\$ 17,207
ROB A. REED	CONTROLLER		\$ 1,355
			\$
			\$
			\$
			\$

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principle Business Address	Salary Charged Utility
JOHN B. JUVE	10%	3003 FAIRWAY VISTA DR	\$ 17,207
ESTATE OF R.H. JUVE	10%	AVON PARK, FL	\$ 0
JAMES D. COSTON	10%	33825	\$ 0
WILLIAM H. KOPFIS	10%		\$ 0
DAVID H. JACOBS		(FOR ALL)	\$ 0
MARITAL TRUST	60%		\$ 0
			\$

UTILITY NAME: HIGHLANDS RIDGE ASSOCIATES, INC

YEAR OF REPORT  
DECEMBER 31, 1998

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential		\$ 90,046	\$ 85,637	\$ 0	\$ 175,683
Commercial		9,746	15,780		25,526
Industrial					
Multiple Family					
Guaranteed Revenues					
Other (Specify)		78			78
<b>Total Gross Revenue</b>		<b>\$ 99,870</b>	<b>\$ 101,417</b>	<b>\$</b>	<b>\$ 201,287</b>
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ 68,630	\$ 70,315	\$	\$ 138,945
Depreciation Expense	F-5	18,277	18,777		37,054
CIAC Amortization Expense	F-8	<10,086>	<9,723>		<19,809>
Taxes Other Than Income	F-7	13,208	13,278		26,486
Income Taxes	F-7	0	0		0
<b>Total Operating Expense</b>		<b>\$ 90,029</b>	<b>\$ 92,647</b>	<b>\$</b>	<b>\$ 182,676</b>
<b>Net Operating Income (Loss)</b>		<b>\$ 9,841</b>	<b>\$ 8,770</b>	<b>\$</b>	<b>\$ 18,611</b>
Other Income:					
Nonutility Income					
Other Deductions:					
Miscellaneous Nonutility Expenses					
Interest Expense		17,682	34,269		51,951
<b>Net Income (Loss)</b>		<b>\$ &lt;7,841&gt;</b>	<b>\$ &lt;25,499&gt;</b>	<b>\$</b>	<b>\$ &lt;33,340&gt;</b>

UTILITY NAME: HIGHLANDS RIDGE ASSOCIATES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

COMPARATIVE BALANCE SHEET

— REVISED —

ACCOUNT NAME	Reference Page	Current Year	Previous Year
<b>Assets:</b>			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ 1276 417	\$ 1276 417
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-3	101 303	64 249
Net Utility Plant -----		\$ 1175 114	\$ 1212 168
Cash -----		0	0
Customer Accounts Receivable (141) -----		7564	7563
Other Assets (Specify): -----			
-----			
-----			
<b>Total Assets</b> -----		\$ 1182678	\$ 1219731
<b>Liabilities and Capital:</b>			
Common Stock Issued (201) -----	F-6	0	0
Preferred Stock Issued (204) -----	F-6	0	0
Other Paid in Capital (211) -----		0	8510
Retained Earnings (215) -----	F-6		
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6		
<b>Total Capital</b> -----		\$ (24830)	\$ 8510
Long Term Debt (224) -----	F-6	\$	\$
Accounts Payable (231) -----		573 763	643 311
Notes Payable (232) -----			
Customer Deposits (235) -----		9 058	6948
Accrued Taxes (236) -----			
Other Liabilities (Specify) -----			
-----			
-----			
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	624 687	560 962
<b>Total Liabilities and Capital</b> -----		\$ 1182678	\$ 1219731

UTILITY NAME: HIGHLANDS RIDGE ASSOCIATES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101) _____	\$ <u>571 002</u>	\$ <u>705 415</u>	\$ <u>0</u>	\$ <u>1 276 417</u>
Construction Work in Progress (105) _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other (Specify) _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Utility Plant _____	\$ <u>571 002</u>	\$ <u>705 415</u>	\$ <u>0</u>	\$ <u>1 276 417</u>

ACCUMULATED DEPRECIATION (AD) AND CIAC AMORTIZATION OF UTILITY PLANT  
— CIAC AMORT SHOWS IN F8 —

Account 108	Water	Wastewater	AD & CIAC AM Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>50 792</u>	\$ <u>13 457</u>	\$ <u>F8</u>	\$ <u>64 249</u>
<b>Add Credits During Year:</b>				
Accruals charged to depreciation account _____	\$ <u>18 277</u>	\$ <u>18 777</u>	<u>0</u>	\$ <u>37 054</u>
Salvage _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Credits (specify) _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Credits _____	\$ <u>18 277</u>	\$ <u>18 777</u>	\$ <u>0</u>	\$ <u>37 054</u>
<b>Deduct Debits During Year:</b>				
Book cost of plant retired _____	\$ <u>0</u>	\$ <u>0</u>	<u>0</u>	\$ <u>0</u>
Cost of removal _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other debits (specify) _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debits _____	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Balance End of Year _____	\$ <u>69 069</u>	\$ <u>32 234</u>	\$ <u>0</u>	\$ <u>101 303</u>

UTILITY NAME: HIGHLANDS RIDGE ASSOCIATES, INC.

YEAR OF REPORT  
DECEMBER 31, 1999

CAPITAL STOCK (201 - 204)

THIS UTILITY IS A DIVISION OF A FLORIDA CORPORATION & HAS NO STOCK ISSUED	Common Stock	Preferred Stock
Par or stated value per share _____	0	0
Shares authorized _____		
Shares issued and outstanding _____		
Total par value of stock issued _____		
Dividends declared per share for year _____		

RETAINED EARNINGS (215)

	Appropriated	Un- Appropriated
Balance first of year _____	\$ 0	\$ 8510
Changes during the year (Specify): _____		< 33340 >
_____		
_____		
Balance end of year _____	\$ 0	\$ < 24830 >

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
N/A		
Balance first of year _____	\$ N/A	\$ N/A
Changes during the year (Specify): _____		
_____		
_____		
Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
<u>FIRST UNION NATIONAL BANK,</u> <u>ORLANDO, FLORIDA DUE 8/19/1999</u>	<u>LIBOR</u> <u>+ 2.5%</u>	<u>N/A</u>	\$ <u>573 763</u>
Total _____			\$ <u>573 763</u>



UTILITY NAME: HIGHLANDS RIDGE ASSOCIATES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

TAXES ACCRUED (236)

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
1. Balance first of year	\$ 3444	\$ 3504	\$	\$ 6948
Add Accruals charged:				
State ad valorem tax	\$	\$	\$	\$ 9438
Local property tax	4719	4719		
Federal income tax				
State income tax				9058
Regulatory assessment fee	4494	4564		
Other (Specify)				7990
PAYROLL TAX	3995	3995		
2. Total Taxes Accrued	\$ 13208	\$ 13278	\$	\$ 26486
Deduct Taxes Paid:				
State ad valorem tax	\$	\$	\$	\$ 9438
Local property tax	4719	4719		
Federal income tax				
State income tax				6948
Regulatory assessment fee	3444	3504		
Other (Specify)				7990
PAYROLL TAX	3995	3995		
3. Total Taxes Paid	\$ 12158	\$ 12218	\$	\$ 24376
4. Balance end of year (1+2-3=4)	\$ 4494	\$ 4564	\$	\$ 9058

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similar professional services rendered the respondent for which aggregate payments during the year to any corporation, partnership, individual, or organization of any kind whatever amounting to \$500 or more.

Name of Recipient	Water Amount	Wastewater Amount	Description of Service
SHORT UTILITIES	\$ 7336	\$ 8418	TESTING, MBMT SVC
Roto Rooter	\$	\$ 4438	SLUDGE REMOVAL
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	

UTILITY NAME: HIGHLANDS RIDGE ASSOCIATES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year	\$ 306796	\$ 290446	\$ 597242
2) Add credits during year	\$ 37112	\$ 46422	\$ 83534
3) Total			
4) Deduct charges during the year			
5) Balance end of year	343908	336868	680776
6) Less Accumulated Amortization	34558	21531	56089
7) Net CIAC	\$ 309350	\$ 315337	\$ 624687

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
N/A			
Sub-total		\$ 0	\$ 0
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
MAIN EXTENSION	38	\$ 5671677	\$ 21546
PLANT CAPACITY	38	2721532	10336
METER	38	14015	5320
ROUNDING + MISC			< 90 >
Total Credits During Year (Must agree with line # 2 above.)		\$ 37112	\$ 46422

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year	\$ 24472	\$ 11808	\$ 36280
Add Credits During Year	0	0	0
Deduct Debits During Year	10086	9723	19809
Balance End of Year (Must agree with line #6 above.)	\$ 34558	\$ 21531	\$ 56089

**\*\* COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR \*\***

UTILITY NAME: HIGHLANDS RIDGE ASSOC., INC.

YEAR OF REPORT  
DECEMBER 31, 1998

**SCHEDULE "A"**

**SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)**

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ <u>SEE ATTACHED</u>	<u>      </u> %	<u>      </u> %	<u>      </u> %
Preferred Stock	<u>DOCKET</u>	<u>      </u> %	<u>      </u> %	<u>      </u> %
Long Term Debt	<u>98-1623 -</u>	<u>FOF - WS</u> %	<u>      </u> %	<u>      </u> %
Customer Deposits	<u>FOR A</u>	<u>      </u> %	<u>      </u> %	<u>      </u> %
Tax Credits - Zero Cost	<u>DETAILED</u>	<u>SCHEDULE</u> %	0.00 %	<u>      </u> %
Tax Credits - Weighted Cost	<u>      </u>	<u>      </u> %	<u>      </u> %	<u>      </u> %
Deferred Income Taxes	<u>      </u>	<u>      </u> %	<u>      </u> %	<u>      </u> %
Other (Explain)	<u>      </u>	<u>      </u> %	<u>      </u> %	<u>      </u> %
Total	\$ <u>      </u>	<u>100.00</u> %		<u>105</u> %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

**APPROVED AFUDC RATE**

Current Commission approved AFUDC rate: 12.44% %  
 Commission Order approving AFUDC rate: 92-0954-FOF-WS

**\*\* COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR \*\***

UTILITY NAME: HIGHLANDS RIDGE ASSOC., INC.

YEAR OF REPORT  
DECEMBER 31, 1998

**SCHEDULE "B"**

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS**

Class of Capital (a)	Per Book Balance (b)	Non-utility Adjustments (c)	Non-juris. Adjustments (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calculation (f)
Common Equity	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Preferred Stock	_____	_____	_____	_____	_____
Long Term Debt	<u>557,991</u>	_____	_____	_____	<u>557,991</u>
Customer Deposits	_____	_____	_____	_____	_____
Tax Credits-Zero Cost	_____	_____	_____	_____	_____
Tax Credits-Weighted	_____	_____	_____	_____	_____
Cost of Capital	_____	_____	_____	_____	_____
Deferred Income Taxes	_____	_____	_____	_____	_____
Other (Explain)	_____	_____	_____	_____	_____
<b>Total</b>	<b>\$ <u>557,991</u></b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ <u>557,991</u></b>

(1) Explain below all adjustments made in Column (e):

SEE STAFF REPORT  
+ DOCKET 98-1147-WS  
FOR CALCULATIONS

F9(a)

ORDER NO. PSC-98-1623-FOF-WS  
 DOCKET NO. 981147-WS  
 PAGE 15

**COST OF CAPITAL  
 CALCULATION**

HIGHLANDS RIDGE ASSOCIATES, INC.  
 DOCKET NO. 981147-WS  
 TEST YEAR ENDED DECEMBER 31, 1997  
 SCHEDULE OF CAPITAL STRUCTURE

Schedule 2

Description	Balance per Utility	Commission Adjustments	Balance per Commission	Pro Rata Adjustments	Adjusted Balance per Commission	Percent of Total	Cost Rate	Average Cost of Capital
Common Stock	\$1,000	\$0	\$1,000	(\$976)	\$24	0.01%	13.44%	0.00%
Other Paid-in Capital	1,067,000	0	1,067,000	(1,041,018)	25,982	6.41%	13.44%	0.66%
Retained Earnings	(11,972,868)	11,972,868	0	0	0	0.00%	13.44%	0.00%
1st Union Line of Credit	374,810	0	374,810	(365,683)	9,127	2.25%	9.00%	0.20%
1st Union Development Note	7,626,745	0	7,626,745	(7,441,027)	185,718	45.80%	8.34%	3.82%
1st Union - Scottish Links	271,154	0	271,154	(264,551)	6,603	1.63%	8.50%	0.14%
Network Equipment Note	10,608	0	10,608	(10,350)	258	0.06%	9.60%	0.01%
Shareholder Notes	7,172,599	0	7,172,599	(6,997,940)	174,659	43.07%	12.50%	5.38%
Equipment Note	94,361	0	94,361	(92,064)	2,298	0.57%	9.60%	0.05%
Vehicle Note	26,852	0	26,852	(26,198)	654	0.16%	9.25%	0.01%
Sunbank Floorplan Note	8,318	0	8,318	(8,115)	203	0.05%	8.50%	0.00%
Customer Deposits	0	0	0	0	0	0.00%	8.00%	0.00%
<b>TOTAL</b>	<b>\$4,680,579</b>	<b>\$11,972,868</b>	<b>\$16,653,447</b>	<b>(\$16,247,921)</b>	<b>\$405,526</b>	<b>100.00%</b>		<b>10.49%</b>

Range of Reasonableness	Low	High
Return on Equity	11.44%	13.44%
Overall Rate of Return	10.36%	10.49%

**WATER  
OPERATING  
SECTION**

UTILITY NAME: HIGHLANDS RIDGE ASSOC. INC.

YEAR OF REPORT  
DECEMBER 31, 1998

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$ 21 211	\$ 0	\$ 0	\$ 21 211
302	Franchises				443
303	Land and Land Rights	443			14 066
304	Structures and Improvements	14 066			
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				54 141
307	Wells and Springs	54 141			
308	Infiltration Galleries and Tunnels				
309	Supply Mains				46 715
310	Power Generation Equipment	46 715			
311	Pumping Equipment				43 160
320	Water Treatment Equipment	43 160			
330	Distribution Reservoirs and Standpipes	18 500			18 500
331	Transmission and Distribution Lines	340 796			340 796
333	Services				
334	Meters and Meter Installations	31 970			31 970
335	Hydrants				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	\$ 571 002	\$ 0	\$ 0	\$ 571 002

UTILITY NAME: HIGHLANDS RIDGE ASSOC, FIC

YEAR OF REPORT  
DECEMBER 31, 1998

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage In Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements	28	0	3.58	1798	0	502	2300
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs	27	0	3.71	7597	0	2005	9602
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equipment	17	0	5.89	9787	0	2748	12535
311	Pumping Equipment		%	%				
320	Water Treatment Equipment	20	0	5.00	9042	0	2158	11200
330	Distribution Reservoirs & Standpipes	40	0	2.50	2168	0	463	2631
331	Trans. & Dist. Mains	40	0	2.50	17196	0	8520	25716
333	Services		%	%				
334	Meter & Meter Installations	17	0	5.89	3204	0	1881	5085
335	Hydrants		%	%				
339	Other Plant and Miscellaneous Equipment		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				50792	0	18277	69069

\* This amount should tie to Sheet F-5.



UTILITY NAME: HIGHLANDS RIDGE ASSOC., INC.

YEAR OF REPORT  
DECEMBER 31, 1998

**WATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 22909
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	9281
604	Employee Pensions and Benefits	
610	Purchased Water	5004
615	Purchased Power	95
616	Fuel for Power Production	3144
618	Chemicals	
620	Materials and Supplies	
630	Contractual Services:	3250
	Operator and Management	840
	Testing	
	Other	
640	Rents	
650	Transportation Expense	3580
655	Insurance Expense	
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	20527
675	Miscellaneous Expenses	
	<b>Total Water Operation And Maintenance Expense</b>	<b>\$ 68630 *</b>

\* This amount should tie to Sheet F-3.

**WATER CUSTOMERS**

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
5/8"	D	1.0	278	336	336
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0	1	1	5
2"	D,C,T	8.0	4	4	32
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Unmetered Customers					
** D = Displacement C = Compound T = Turbine			Total		
			283	341	373

UTILITY NAME: HIGHLANDS RIDGE ASSOC., INC.

YEAR OF REPORT  
DECEMBER 31, 1998

SYSTEM NAME: \_\_\_\_\_

**PUMPING AND PURCHASED WATER STATISTICS**

(a)	(b) Water Purchased For Resale (Omit 000's)	(c) Finished Water From Wells (Omit 000's)	(d) Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	(e) Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	(f) Water Sold To Customers (Omit 000's)
January	N/A	2908	223	2685	2413
February		2082	158	1924	1702
March		3112	963	2149	1956
April		4952	1131	3821	3397
May		5980	1641	4339	3854
June		7403	1118	6285	5570
July		6151	1180	4971	4365
August		4741	453	4288	3712
September		3365	126	3239	3007
October		5295	1232	4063	3537
November		4838	150	4688	4030
December		5223	342	4881	4009
Total for Year		56050	8717	47333	41492 <sup>*(Note)</sup>

If water is purchased for resale, indicate the following:

Vendor

Point of delivery

N/A

If water is sold to other water utilities for redistribution, list names of such utilities below:

N/A

**MAINS (FEET)**

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	10"	3240	0	0	3240
	8"	4320	0	0	4320
	6"	7500	0	0	7500
	4"	6930	0	0	6930
	2"	2122	0	0	2122

\* NOTE: THIS DOES NOT INCLUDE W-4 IMPUTED REVENUES - UNBILLED TO HIGHLANDS RIDGE ASSOCIATES, INC.

UTILITY NAME: HIGHLANDS RIDGE ASSOC., INC

YEAR OF REPORT  
DECEMBER 31, 1998

SYSTEM NAME: \_\_\_\_\_

**WELLS AND WELL PUMPS  
(If Available)**

(a)	OWNER 1D2 (b)	OWNER 1D5 (c)	(d)	(e)
Year Constructed _____	1989	1990	_____	_____
Types of Well Construction and Casing 12" TO 8" TELESCOPIC _____	ID# 419714 147 370	ID# 502708 136 585	_____	_____
Depth of Wells _____	900	1310	_____	_____
Diameters of Wells _____	8"	8"	_____	_____
Pump - GPM _____	850 @ 35 PSI	850 @ 35 PSI	_____	_____
Motor - HP _____	40	40	_____	_____
Motor Type * _____			_____	_____
Yields of Wells in GPD _____	1.224K / 35	1.224K / 35	_____	_____
Auxiliary Power _____	90KW KOHLER	90KW KOHLER	_____	_____

\* Submersible, centrifugal, etc.

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	STEEL	_____	_____	_____
Capacity of Tank _____	PNEUMATIC 15,000 gal	_____	_____	_____
Ground or Elevated _____	N/A	_____	_____	_____

**HIGH SERVICE PUMPING**

(a)	(b)	(c)	(d)	(e)
<b>Motors</b>				
Manufacturer _____	N/A	_____	_____	_____
Type _____	_____	_____	_____	_____
Rated Horsepower _____	_____	_____	_____	_____
<b>Pumps</b>				
Manufacturer _____	_____	_____	_____	_____
Type _____	_____	_____	_____	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	_____	_____	_____	_____
Auxiliary Power _____	_____	_____	_____	_____

UTILITY NAME: HIGHLANDS RIDGE ASSOC., INC.

YEAR OF REPORT  
DECEMBER 31, 98

**SOURCE OF SUPPLY**

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Gals. per day of source	<u>1,224,000</u>	<u>1,224,000</u>	
Type of Source	<u>GROUND WATER</u>	<u>GROUND WATER</u>	

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:			
Type	<u>GAS CHLORINATION</u>		
Make	<u>REGAL</u>		
Gals. per day capacity	<u>2,448,000</u>		
High service pumping Gallons per minute			
Reverse Osmosis			
Lime Treatment Unit Rating			
Filtration Pressure Sq. Ft.			
Gravity GPD/Sq.Ft.			
Disinfection Chlorinator	<u>X</u>		
Ozone			
Other			
Auxiliary Power	<u>GENERATOR</u>		

**OTHER WATER SYSTEM INFORMATION**

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

- Present ERCs \* now being served (47,326,000 / 365 / 350) = 370
- Maximum ERCs \*\* that system can efficiently serve 3497
- Present system connection capacity (in ERC's) using existing lines 500
- Future connection capacity (in ERC's) upon service area buildout 1000
- Estimated annual increase in ERCs \* 50
- List fire fighting facilities and capacities (including number of fire hydrants) 16 HYDRANTS
- List percent of certificated area where service connections are installed (total for each county) 4890
- What is the current need for system upgrading and/or expansion? NONE
- What are plans for future system upgrading and/or expansion? NONE
- Have questions 8 and 9 been discussed with an engineer? (if so, state name and address) YES, CHASTAIN SKILLMAN, P.O. BOX 1281, SEBRING, FL 33871
- Has an application for a construction permit been filed with the DEP? (if so, explain) NO
- Department of Environmental Protection ID # 5228 P 00238  
Water Management District ID # 209516.00

\* ERC = ( Total Gallons Sold / 365 days ) / 350 Gallons Per Day

\*\* Total Plant Capacity / 350 gallons

**WASTEWATER  
OPERATING  
SECTION**

UTILITY NAME: HIGHLANDS RIDGE ASSOC., INC.

YEAR OF REPORT  
DECEMBER 31, 1998

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization	\$	\$ 0	\$ 0	\$
352	Franchises				4 434
353	Land and Land Rights	4 434			350 675
354	Structures and Improvements	350 675			
360	Collection Sewers - Force				350 306
361	Collection Sewers - Gravity	350 306			
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices				
365	Flow Measuring Installations				
370	Receiving Wells				
371	Pumping Equipment				
380	Treatment and Disposal Equipment				
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant and Miscellaneous Equipment				
390	Office Furniture and Equipment				
391	Transportation Equipment				
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
	Total Wastewater Plant	\$ 705 415	\$ 0	\$ 0	\$ 705 415 *

\* This amount should tie to sheet F-5.

UTILITY NAME: HIGHLANDS RIDGE ASSOC, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage In Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
354	Structures and Improvements	35	0	2.86%	\$ 8,125	\$ 0	\$ 10,019	\$ 18,144
360	Collection Sewers - Force							
361	Collection Sewers - Gravity	40	0	2.50%	5,332	0	8,758	14,090
362	Special Collecting Structures							
363	Services to Customers							
364	Flow Measuring Devices							
365	Flow Measuring Installations							
370	Receiving Wells							
371	Pumping Equipment							
380	Treatment and Disposal Equipment							
381	Plant Sewers							
382	Outfall Sewer Lines							
389	Other Plant and Miscellaneous Equipment							
390	Office Furniture and Equipment							
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							
	Totals				\$ 13,457	\$ 0	\$ 18,777	\$ 32,234

\* This amount should refer to Sheet F-5.

UTILITY NAME: HIGHLANDS RIDGE ASSOC., INC.

YEAR OF REPORT  
DECEMBER 31, 1998

**WASTEWATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 25626
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	9281
704	Employee Pensions and Benefits	
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	5640
715	Purchased Power	
716	Fuel for Power Production	2216
718	Chemicals	
720	Materials and Supplies	
730	Contractual Services:	3250
	Operator and Management	4086
	Testing	
	Other	
740	Rents	
750	Transportation Expense	3581
755	Insurance Expense	
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	
770	Bad Debt Expense	16635
775	Miscellaneous Expenses	
	<b>Total Wastewater Operation And Maintenance Expense</b>	<b>\$ 70315</b>

\* This amount should tie to Sheet F-3.

**WASTEWATER CUSTOMERS**

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
5/8"	D	1.0	278	336	336
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0	1	1	5
2"	D,C,T	8.0	4	4	32
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
4"	D,C	25.0			
4"	T	30.0			
6"	D,C	50.0			
6"	T	62.5			
Other (Specify):					
Unmetered Customers					
** D = Displacement C = Compound T = Turbine			Total		
			283	341	373



UTILITY NAME: HIGHLANDS RIDGE ASSOC., INC.

YEAR OF REPORT  
DECEMBER 31, 1998

**PUMPING EQUIPMENT**

	1	2	3	4		
Lift Station Number	1	2	3	4		
Make or Type and nameplate data on pump						
Year installed	1990	1990	1990	1994		
Rated capacity	195	150	24	200		
Size	5	5	2	5		
Power:						
Electric	X	X	X	X		
Mechanical						
Nameplate data of motor						

**SERVICE CONNECTIONS**

Size (inches)	4"					
Type (PVC, VCP, etc.)	PVC					
Average length	30-ft					
Number of active service connections						
Beginning of year	283					
Added during year	58					
Retired during year						
End of year	341					
Give full particulars concerning inactive connections						

**COLLECTING AND FORCE MAINS**

	Collecting Mains				Force Mains			
	8"	6"			8"	6"		
Size (inches)	8"	6"			8"	6"		
Type of main	PVC	PVC			PVC	PVC		
Length of main (nearest foot)								
Beginning of year	75275	773			6000	7600		
Added during year								
Retired during year								
End of year	15275	773			6000	7600		

**MANHOLES**

Size (inches)	48"			
Type of Manhole	concrete			
Number of Manholes:				
Beginning of year	63			
Added during year	0			
Retired during year	0			
End of Year	63			

UTILITY NAME: HIGHLANDS RIDGE ASSOC., INC.

YEAR OF REPORT  
DECEMBER 31, 1998

SYSTEM NAME: \_\_\_\_\_

**TREATMENT PLANT**

Manufacturer _____	<u>MAROLF</u>	_____	_____
Type _____	<u>EXTENDED AERATION</u>	_____	_____
"Steel" or "Concrete" _____	<u>CONCRETE</u>	_____	_____
Total Capacity _____	<u>95,500</u>	_____	_____
Average Daily Flow _____	<u>1,500 GPD PERMITTED FOR 95,500 GPD</u>	_____	_____
Effluent Disposal _____	<u>PONAS</u>	_____	_____
Total Gallons of Wastewater treated _____	<u>5,380,000</u>	_____	_____

**MASTER LIFT STATION PUMPS**

	1	2	3	4		
Manufacturer _____	<u>UNITRON</u>	<u>UNITRON</u>	<u>UNITRON</u>	<u>HYDROMATIC</u>	_____	_____
Capacity (GPM's) _____	<u>195</u>	<u>150</u>	<u>24</u>	<u>200</u>	_____	_____
Motor:						
Manufacturer _____	_____	_____	_____	_____	_____	_____
Horsepower _____	<u>5</u>	<u>5</u>	<u>2</u>	<u>5</u>	_____	_____
Power (Electric or Mechanical) _____	<u>ELECTRIC</u>	_____	_____	<u>?</u>	_____	_____

**PUMPING WASTEWATER STATISTICS**

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
	<u>IN THOUSANDS</u>		
January _____	<u>575</u>	<u>0</u>	<u>SAME</u>
February _____	<u>599</u>	_____	_____
March _____	<u>347</u>	_____	_____
April _____	<u>172</u>	_____	_____
May _____	<u>211</u>	_____	_____
June _____	<u>312</u>	_____	_____
July _____	<u>329</u>	_____	_____
August _____	<u>408</u>	_____	_____
September _____	<u>442</u>	_____	_____
October _____	<u>510</u>	_____	_____
November _____	<u>709</u>	_____	_____
December _____	<u>766</u>	_____	_____
Total for year _____	<u>5380</u>	<u>0</u>	<u>5380</u>

If Wastewater Treatment is purchased, indicate the vendor: \_\_\_\_\_

N/A

UTILITY NAME: HIGHLANDS RIDGE ASSOC., INC.

YEAR OF REPORT  
DECEMBER 31, 1998

SYSTEM NAME: \_\_\_\_\_

### OTHER WASTEWATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

1. Present ERCs \* now being served (5380,000/365/280) = 53
2. Maximum ERCs \*\* that system can efficiently serve = 341
3. Present system connection capacity (in ERC's) using existing lines 500
4. Future connection capacity (in ERC's) upon service area buildout 1000
5. Estimated annual increase in ERCs \* 10
6. State any plans and estimated completion dates for any enlargements of this system. \_\_\_\_\_  
BEG IN YR 2001 - EXPANSION
7. List percent of certificated area where service connections are installed (total for each county)  
4890  
OF PLANT TO INCLUDE ADD'L TREATMENT + FINISHING POND CAPACITY
8. If present systems do not meet the requirements of DEP Rule 62-4, Florida Administrative Code, submit the following: N/A
  - a. Evaluation of the present plant or plants in regard to meeting the DEP's rules.
  - b. Plans for funding and construction of the required upgrading.
  - c. Have these plans been coordinated with the DEP? \_\_\_\_\_
  - d. Do they concur? \_\_\_\_\_
  - e. When will construction begin? \_\_\_\_\_
9. Do you discharge effluent to surface waters? NO
10. Department of Environmental Protection ID # 5228 P 00238  
Water Management District ID # 209516.00

\*  $ERC = (Total\ Gallons\ Treated / 365\ days) / 280\ Gallons\ Per\ Day$

Note: Total Gallons Treated includes both Wastewater treated and Purchased Wastewater Treatment.

\*\* Total Plant Capacity / 280 gallons

HIGHLANDS RIDGE  
UTILITY NAME: ASSOCIATES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

# CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

YES  NO

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.

YES  NO

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES  NO


3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. **EXCEPT FOR A RATE INVESTIGATION BY THE PSC FOR Y/E 12/31/97,**

YES  NO

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.

### Items Certified

1.  2.  3.  4.

  
\_\_\_\_\_  
(signature of chief executive officer of the utility)

1.  2.  3.  4.

 7-22-99  
\_\_\_\_\_  
(signature of chief financial officer of the utility)

\* Each of the four items must be certified YES or NO. Each item need not be certified by both officer. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.