

# **CLASS "C"**

## **WATER AND/OR WASTEWATER UTILITIES**

(Gross Revenue of Less Than \$200,000 Each)

# **ANNUAL REPORT**

WS844-04-AR  
Highlands Ridge Utilities, LLC  
1275 Lake Heathrow Lane  
Heathrow, FL 32746-4398

544W      474S

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Certificate Number(s)

*Submitted To The*

## **STATE OF FLORIDA**



## **PUBLIC SERVICE COMMISSION**

FOR THE

## **YEAR ENDED DECEMBER 31, 2004**

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# **FINANCIAL SECTION**

REPORT OF

Highlands Ridge Utilities, LLC  
(EXACT NAME OF UTILITY)

3003 East Fairway Vista Drive Avon Park, FL 33825	3003 East Fairway Vista Drive Avon Park, FL 33825	Highlands
Mailing Address	Street Address	County

Telephone Number (863) 471-9976 Date Utility First Organized 11-01-92

Fax Number (863) 471-9428 E-mail Address dmeseroll@highlandsridge.com

Sunshine State One-Call of Florida, Inc. Member No. \_\_\_\_\_

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: 435 S. Commerce Avenue  
Sebring, FL 33870

Name of subdivisions where services are provided: Highlands Ridge

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: David B. Meseroll	General Manager	3003 East Fairway Vista Drive Avon Park, FL 33825	
Person who prepared this report: William R. Benton	CPA	435 S. Commerce Ave. Sebring, FL 33870	
Officers and Managers: Birdy M. Whitehouse	Controller	Same	\$ 0
Howard Bateman	Licensed Operator	Same	\$ 0
Frieda Fitch	Administrative Manager	Same	\$ 0
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

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
Sebring Land Limited, Ptr.	100%	1275 Lake Heathrow Lane Heathrow, FL 32746	\$ 0
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential_____		\$ 140,000	\$ 130,115	\$ _____	\$ 270,115
Commercial_____		17,470	5,455	_____	22,925
Industrial_____		_____	_____	_____	_____
Multiple Family_____		_____	_____	_____	_____
Guaranteed Revenues_		_____	_____	_____	_____
Other (Specify)_____		_____	_____	_____	_____
Total Gross Revenue___		\$ 157,470	\$ 135,570	\$ _____	\$ 293,040
Operation Expense (Must tie to pages W-3 and S-3)	W-3				
	S-3	\$ 93,946	\$ 95,729	\$ _____	\$ 189,675
Depreciation Expense____	F-5	25,276	18,956	_____	44,232
CIAC Amortization Expense_	F-8	(12,589)	(12,836)	_____	(25,425)
Taxes Other Than Income__	F-7	13,232	13,822	_____	27,054
Income Taxes_____	F-7	_____	_____	_____	_____
Total Operating Expense		\$ 119,865	115,671	_____	\$ 235,536
Net Operating Income (Loss)		\$ 37,605	\$ 19,899	\$ _____	\$ 57,504
Other Income:					
Nonutility Income_____		\$ _____	\$ _____	\$ _____	\$ _____
_____		_____	_____	_____	_____
Other Deductions:					
Miscellaneous Nonutility Expenses_____		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense_____		10,949	10,949	_____	21,898
Loss on Disposal_____		_____	_____	_____	_____
_____		_____	_____	_____	_____
Net Income (Loss)		\$ 26,656	\$ 8,950	\$ _____	\$ 35,606

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
<b>Assets:</b>			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ <u>1,337,192</u>	\$ <u>1,313,769</u>
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>(349,170)</u>	<u>(304,938)</u>
Net Utility Plant -----		\$ <u>988,022</u>	\$ <u>1,008,831</u>
Cash -----		<u>21,200</u>	<u>15,916</u>
Customer Accounts Receivable (141) -----		<u>27,664</u>	<u>23,866</u>
Other Assets (Specify): -----			
Other Receivables -----			
Due from Affiliates -----		<u>73,910</u>	<u>63,851</u>
Acquisition Adjustment -----		<u>92,244</u>	<u>92,244</u>
Organizational Costs, Net -----		<u>250</u>	<u>389</u>
Total Assets -----		\$ <u>1,203,290</u>	\$ <u>1,205,097</u>
<b>Liabilities and Capital:</b>			
Common Stock Issued (201) -----	F-6		
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----			
Retained Earnings (215) -----	F-6		
Proprietary Capital (Proprietary and partnership only) (218) -----	F-6	<u>4,249</u>	<u>(31,357)</u>
Total Capital -----		\$ <u>4,249</u>	\$ <u>(31,357)</u>
Long Term Debt (224) -----	F-6	\$ <u>558,600</u>	\$ <u>572,400</u>
Accounts Payable (231) -----		<u>3,350</u>	<u>2,926</u>
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----			
Other Liabilities (Specify) -----			
Accrued Expenses -----		<u>27,586</u>	<u>26,199</u>
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>609,505</u>	<u>634,929</u>
Total Liabilities and Capital -----		\$ <u>1,203,290</u>	\$ <u>1,205,097</u>

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 3 2004
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**GROSS UTILITY PLANT**

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other Than Reporting Systems	Total
Utility Plant in Service (101)	\$ <u>626,977</u>	\$ <u>710,215</u>	\$ _____	\$ <u>1,337,192</u>
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
Total Utility Plant _____	\$ <u>626,977</u>	\$ <u>710,215</u>	\$ _____	\$ <u>1,337,192</u>

**ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT**

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First of Year _____	\$ <u>178,579</u>	\$ <u>126,359</u>	\$ _____	\$ <u>304,938</u>
<b>Add Credits During Year:</b>				
Accruals charged to depreciation account _____	\$ <u>21,033</u>	\$ <u>18,956</u>	\$ _____	\$ <u>39,989</u>
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
Amortization _____	<u>4,243</u>	_____	_____	<u>4,243</u>
Total Credits _____	\$ <u>25,276</u>	\$ <u>18,956</u>	\$ _____	\$ <u>44,232</u>
<b>Deduct Debits During Year:</b>				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ <u>203,855</u>	\$ <u>145,315</u>	\$ _____	\$ <u>349,170</u>

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT	
DECEMBER 31,	2004

CAPITAL STOCK ( 201 - 204 )

	Common Stock	Preferred Stock
Par or stated value per share _____	_____	_____
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 _____	\$ _____	\$ _____
Changes during the year (Specify):		
Net income (loss) for current year _____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ _____

PROPRIETARY CAPITAL ( 218 )

	Proprietor Or Partner	Partner
Balance first of year _____	\$ _____	\$ (31,357)
Changes during the year (Specify):		
Net Income for Year _____	_____	35,606
_____	_____	_____
Balance end of year _____	\$ _____	\$ 4,249

LONG TERM DEBT ( 224 )

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
Wachovia Bank _____	_____	_____	\$ 558,600
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ 558,600



UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2004
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**TAX EXPENSE**

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
Income Taxes:				
Federal income tax _____	\$ _____	\$ _____	\$ _____	\$ _____
State income Tax _____	_____	_____	_____	_____
Taxes Other Than Income:				
State ad valorem tax _____	_____	_____	_____	_____
Local property tax _____	5,853	7,129	_____	12,982
Regulatory assessment fee _____	7,086	6,100	_____	13,186
Other (Specify) _____	_____	_____	_____	_____
Licenses and taxes _____	293	593	_____	886
Payroll taxes _____	_____	_____	_____	_____
Total Tax Expense _____	\$ 13,232	\$ 13,822	\$ _____	\$ 27,054

**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
Sebring Land Limited Ptr.	\$ 47,649	\$ 40,589	Operations and maintenance
The NCT Group CPA's, L.L.P.	\$ 863	\$ 863	Accounting services
Short Utility Service, Inc.	\$ 6,566	\$ 8,421	Operations and testing
C & M Lawn Care	\$ 1,500	\$ 1,500	Lawn maintenance
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

UTILITY NAME: Highlands Ridge Utilities, LLC

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**CONTRIBUTIONS IN AID OF CONSTRUCTION ( 271 )**

	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year_____	\$ <u>402,832</u>	\$ <u>410,737</u>	\$ <u>813,569</u>
2) Add credits during year_____	\$ _____	\$ _____	\$ _____
3) Total_____	<u>402,832</u>	<u>410,737</u>	<u>813,569</u>
4) Deduct charges during the year_____	_____	_____	_____
5) Balance end of year_____	<u>402,832</u>	<u>410,737</u>	<u>813,569</u>
6) Less Accumulated Amortization_____	<u>(108,040)</u>	<u>(96,024)</u>	<u>(204,064)</u>
7) Net CIAC_____	\$ <u>294,792</u>	\$ <u>314,713</u>	\$ <u>609,505</u>

**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
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total_____		\$ _____	\$ _____
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	
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.)_____			\$ _____

**ACCUMULATED AMORTIZATION OF CIAC (272)**

	Water	Wastewater	Total
Balance First of Year_____	\$ <u>95,451</u>	\$ <u>83,189</u>	\$ <u>178,640</u>
Add Debits During Year:_____	<u>12,589</u>	<u>12,835</u>	<u>25,424</u>
Deduct Credits During Year:_____	_____	_____	_____
Balance End of Year (Must agree with line #6 above.)	\$ <u>108,040</u>	\$ <u>96,024</u>	\$ <u>204,064</u>

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

UTILITY NAME Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2004
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N/A

**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	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
<b>Total</b>	<b>\$ _____</b>	<b>100.00 %</b>		<b>_____ %</b>

(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:	_____ %
Commission Order Number approving AFUDC rate:	_____

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

UTILITY NAME Highlands Ridge Utilities, LLC

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N/A

**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	_____	_____	_____	_____	_____
Customer Deposits	_____	_____	_____	_____	_____
Tax Credits-Zero Cost	_____	_____	_____	_____	_____
Tax Credits-Weighted	_____	_____	_____	_____	_____
Cost of Capital	_____	_____	_____	_____	_____
Deferred Income Taxes	_____	_____	_____	_____	_____
Other (Explain)	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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


**WATER  
OPERATING  
SECTION**

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2004
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**WATER UTILITY PLANT ACCOUNTS**

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization_____	\$ 21,211	\$ _____	\$ _____	\$ 21,211
302	Franchises_____				
303	Land and Land Rights_____	443			443
304	Structures and Improvements_____	14,066			14,066
305	Collecting and Impounding Reservoirs_____				
306	Lake, River and Other Intakes_____				
307	Wells and Springs_____	54,141			54,141
308	Infiltration Galleries and Tunnels_____				
309	Supply Mains_____				
310	Power Generation Equipment_____	66,315			66,315
311	Pumping Equipment_____				
320	Water Treatment Equipment_____	47,454	17,898		65,352
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_____	42,568	2,600		45,168
335	Hydrants_____				
336	Backflow Prevention Devices_____				
339	Other Plant and Miscellaneous Equipment_____		225		225
340	Office Furniture and Equipment_____	760			760
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_____	\$ 606,254	\$ 20,723	\$ _____	\$ 626,977

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)
301	Organization	5	%	20.00	\$ 12,726	\$	\$ 4,243	\$ 16,969
304	Structures and Improvements	28	%	3.57	\$ 4,812	\$	\$ 502	\$ 5,314
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Wells and Springs	27	%	3.70	19,628		2,005	21,633
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment		%					
311	Pumping Equipment	17	%	5.88	28,196		3,901	32,097
320	Water Treatment Equipment	20	%	5.00	22,555		2,951	25,506
330	Distribution Reservoirs & Standpipes	40	%	2.50	4,942		463	5,405
331	Trans. & Dist. Mains	40	%	2.50	68,316		8,520	76,836
333	Services		%					
334	Meter & Meter Installations	17	%	5.88	17,017		2,593	19,610
335	Hydrants		%					
336	Backflow Prevention Devices		%					
339	Other Plant and Miscellaneous Equipment	15	%	6.67	0		5	5
340	Office Furniture and Equipment	Various	%	Various	387		93	480
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				\$ 178,579	\$	\$ 25,276	\$ 203,855 *

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

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2004
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**WATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ _____
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	_____
604	Employee Pensions and Benefits	_____
610	Purchased Water	_____
615	Purchased Power	7,730
616	Fuel for Power Production	1,348
618	Chemicals	4,692
620	Materials and Supplies	_____
630	Contractual Services:	_____
	Billing	_____
	Professional	2,345
	Testing	3,132
	Other	51,083
640	Rents	_____
650	Transportation Expense	1,856
655	Insurance Expense	960
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	_____
670	Bad Debt Expense	_____
675	Miscellaneous Expenses (Repairs and maintenance, Office exp., and Other exp.)	20,800
	Total Water Operation And Maintenance Expense	\$ <u>93,946</u> *

\* 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)	
<b>Residential Service</b>					
5/8"	D	1.0	433	465	465
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	_____	_____	_____
<b>General Service</b>					
5/8"	D	1.0	19	19	19
3/4"	D	1.5	_____	_____	_____
1"	D	2.5	_____	_____	_____
1 1/2"	D,T	5.0	3	3	15
2"	D,C,T	8.0	5	5	40
3"	D	15.0	_____	_____	_____
3"	C	16.0	_____	_____	_____
3"	T	17.5	_____	_____	_____
Unmetered Customers	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
<b>** D = Displacement C = Compound T = Turbine</b>			<b>Total</b>	<b>460</b>	<b>492</b>
				<b>492</b>	<b>539</b>



UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2004
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SYSTEM NAME: \_\_\_\_\_

N/A      **PUMPING AND PURCHASED WATER STATISTICS**

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [ (b)+(c)-(d) ] (e)	Water Sold To Customers (Omit 000's) (f)
January_____	_____	5,622	156	5,466	5,466
February_____	_____	5,469	546	4,923	4,923
March_____	_____	6,541	475	6,066	6,066
April_____	_____	7,807	210	7,597	7,597
May_____	_____	7,394	625	6,769	6,769
June_____	_____	7,063	495	6,568	6,568
July_____	_____	8,496	385	8,111	8,111
August_____	_____	4,513	988	3,525	3,525
September_____	_____	4,620	839	3,781	3,781
October_____	_____	6,733	1,001	5,732	5,732
November_____	_____	7,543	1,240	6,303	6,303
December_____	_____	7,103	369	6,734	6,734
Total for Year_____	_____	<u>78,904</u>	<u>7,329</u>	<u>71,575</u>	<u>71,575</u>

If water is purchased for resale, indicate the following:      N/A

Vendor \_\_\_\_\_

Point of delivery \_\_\_\_\_

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	2"	4,782	0	0	4,782
PVC	4"	7,270	0	0	7,270
PVC	6"	12,090	0	0	12,090
PVC	8"	4,600	0	0	4,600
PVC	10"	13,700	0	0	13,700
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2004
-------------------------------------

SYSTEM NAME: N/A

**WELLS AND WELL PUMPS**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	_____	_____	_____	_____
Types of Well Construction and Casing _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	_____	_____	_____	_____
Diameters of Wells _____	_____	_____	_____	_____
Pump - GPM _____	_____	_____	_____	_____
Motor - HP _____	_____	_____	_____	_____
Motor Type * _____	_____	_____	_____	_____
Yields of Wells in GPD _____	_____	_____	_____	_____
Auxiliary Power _____	_____	_____	_____	_____
* Submersible, centrifugal, etc.				

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete)	_____	_____	_____	_____
Capacity of Tank _____	_____	_____	_____	_____
Ground or Elevated _____	_____	_____	_____	_____

**HIGH SERVICE PUMPING**

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

UTILITY NAME:

Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 3' 2004
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**SOURCE OF SUPPLY**

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Permitted Gals. per day__	<u>223,700 GPD</u>	_____	_____
Type of Source_____	<u>Groundwater</u>	_____	_____

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:			
Type_____	<u>Gas Chlorination</u>	_____	_____
Make_____	<u>Regal</u>	_____	_____
Permitted Capacity (GPD)___	<u>675,000 GPD</u>	_____	_____
High service pumping	<u>N/A</u>	_____	_____
Gallons per minute_____	<u>N/A</u>	_____	_____
Reverse Osmosis _____	<u>N/A</u>	_____	_____
Lime Treatment			
Unit Rating_____	<u>N/A</u>	_____	_____
Filtration			
Pressure Sq. Ft._____	<u>N/A</u>	_____	_____
Gravity GPD/Sq.Ft._____	<u>N/A</u>	_____	_____
Disinfection			
Chlorinator_____	<u>Yes</u>	_____	_____
Ozone_____	_____	_____	_____
Other_____	_____	_____	_____
Auxiliary Power_____	<u>90 KW Koler</u>	_____	_____

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT  
DECEMBER 3 2004

SYSTEM NAME: N/A

**GENERAL WATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's \* the system can efficiently serve. 500 [(71,573,000 / 365) / 350]
2. Maximum number of ERCs \* which can be serve 1,929 [675,000 / 350]
3. Present system connection capacity (in ERCs \*) using existing lines. 539
4. Future connection capacity (in ERCs \*) upon service area buildout. 901
5. Estimated annual increase in ERCs \*. 25
6. Is the utility required to have fire flow capacity? Yes  
If so, how much capacity is required? 500 Gallons per minute
7. Attach a description of the fire fighting facilities. 30 Hydrants, Public Fire Service
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.  
None
9. When did the company last file a capacity analysis report with the DEP? N/A
10. If the present system does not meet the requirements of DEP rules, submit the following: N/A
  - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
  - b. Have these plans been approved by DEP? N/A
  - c. When will construction begin? N/A
  - d. Attach plans for funding the required upgrading. N/A
  - e. Is this system under any Consent Order with DEP? No
11. Department of Environmental Protection ID # 528410
12. Water Management District Consumptive Use Permit # 20-009516.004
  - a. Is the system in compliance with the requirements of the CUP? Yes
  - b. If not, what are the utility's plans to gain compliance? \_\_\_\_\_

\* An ERC is determined based on one of the following methods:  
(a) If actual flow data are available from the preceding 12 months:  
Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.  
  
(b) If no historical flow data are available use:  
ERC = (Total SFR gallons sold (omit 000/365 days/350 gallons per day).

**WASTEWATER  
OPERATING  
SECTION**

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2004
-------------------------------------

**WASTEWATER UTILITY PLANT ACCOUNTS**

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization_____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises_____	_____	_____	_____	_____
353	Land and Land Rights_____	4,434	_____	_____	4,434
354	Structures and Improvements_____	352,775	2,475	_____	355,250
355	Power Generation Equipment_____	_____	_____	_____	_____
360	Collection Sewers - Force_____	_____	_____	_____	_____
361	Collection Sewers - Gravity_____	350,306	_____	_____	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_____	_____	225	_____	225
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_____	_____	_____	_____	_____
	<b>Total Wastewater Plant_____</b>	<b>\$ 707,515</b>	<b>\$ 2,700</b>	<b>\$ 0</b>	<b>\$ 710,215 *</b>

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

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT  
DECEMBER 31, 2004

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)
303	Organization		%	%	\$	\$	\$	\$
354	Structures and Improvements	35	%	2.86	68,481		10,193	78,674
355	Power Generation Equipment		%					
360	Collection Sewers - Force		%					
361	Collection Sewers - Gravity	40	%	2.50	57,878		8,758	66,636
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	15	%	6.67	0		5	5
398	Other Tangible Plant		%					
	Totals				\$ 126,359	\$	\$ 18,956	\$ 145,315 *

\* This amount should tie to F-5

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2004
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**WASTEWATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees_____	\$ _____
703	Salaries and Wages - Officers, Directors, and Majority Stockholders_____	_____
704	Employee Pensions and Benefits_____	_____
710	Purchased Wastewater Treatment_____	_____
711	Sludge Removal Expense_____	15,450
715	Purchased Power_____	8,721
716	Fuel for Power Production_____	_____
718	Chemicals_____	3,726
720	Materials and Supplies_____	_____
730	Contractual Services:	
	Billing_____	_____
	Professional_____	1,998
	Testing_____	5,495
	Other (Operations and Management)_____	43,515
740	Rents_____	_____
750	Transportation Expense_____	1,581
755	Insurance Expense_____	1,080
765	Regulatory Commission Expenses (Amortized Rate Case Expense)_____	_____
770	Bad Debt Expense_____	_____
775	Miscellaneous Expenses (Repairs & maintenance, office exp., misc exp.)_____	14,163
	Total Wastewater Operation And Maintenance Expense_____	\$ <u>95,729</u> *

\* 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)	
<b>Residential Service</b>					
All meter sizes	D	1.0	433	465	465
<b>General Service</b>					
5/8"	D	1.0	4	4	4
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0	3	3	24
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
Comm 5/8 x 3/4					
Comm 1"					
** D = Displacement C = Compound T = Turbine			<b>Total</b>	<u>440</u>	<u>472</u>
				<u>493</u>	



**PUMPING EQUIPMENT**

Lift Station Number _____	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	_____
Make or Type and nameplate data on pump _____	Hydromatic SYN500M3-4	Same	Hydromatic SPG-2200	Same	Same	_____
Year installed _____	1990	1990	1990	1994	2002	_____
Rated capacity _____	195	150	24	200	200	_____
Size _____	5 HP	5 HP	2 HP	5 HP	5 HP	_____
Power:						
Electric _____	Yes	Yes	Yes	Yes	Yes	_____
Mechanical _____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	Hydromatic SYN500M3-4	Same	Hydromatic SPG-2200	Same	Same	_____

**SERVICE CONNECTIONS**

Size (inches) _____	<u>4"</u>	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	<u>PVC</u>	_____	_____	_____	_____	_____
Average length _____	<u>30'</u>	_____	_____	_____	_____	_____
Number of active service connections _____	<u>472</u>	_____	_____	_____	_____	_____
Beginning of year _____	<u>440</u>	_____	_____	_____	_____	_____
Added during year _____	<u>32</u>	_____	_____	_____	_____	_____
Retired during year _____	<u>0</u>	_____	_____	_____	_____	_____
End of year _____	<u>472</u>	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	<u>N/A</u>	_____	_____	_____	_____	_____

**COLLECTING AND FORCE MAINS**

	Collecting Mains				Force Mains			
Size (inches) _____	<u>4"</u>	<u>8"</u>	<u>12"</u>	_____	<u>6"</u>	<u>8"</u>	_____	_____
Type of main _____	<u>PVC</u>	<u>PVC</u>	<u>PVC</u>	_____	<u>PVC</u>	<u>PVC</u>	_____	_____
Length of main (nearest foot) _____	_____	_____	_____	_____	_____	_____	_____	_____
Beginning of year _____	<u>2,024</u>	<u>18,901</u>	<u>500</u>	_____	<u>1,600</u>	<u>6,000</u>	_____	_____
Added during year _____	<u>0</u>	<u>0</u>	<u>0</u>	_____	<u>0</u>	<u>0</u>	_____	_____
Retired during year _____	<u>0</u>	<u>0</u>	<u>0</u>	_____	<u>0</u>	<u>0</u>	_____	_____
End of year _____	<u>2,024</u>	<u>18,901</u>	<u>500</u>	_____	<u>1,600</u>	<u>6,000</u>	_____	_____

**MANHOLES**

Size (inches) _____	<u>48"</u>	_____	_____	_____
Type of Manhole _____	<u>Concrete</u>	_____	_____	_____
Number of Manholes:				
Beginning of year _____	<u>87</u>	_____	_____	_____
Added during year _____	<u>0</u>	_____	_____	_____
Retired during year _____	<u>0</u>	_____	_____	_____
End of Year _____	<u>87</u>	_____	_____	_____

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT DECEMBER 31, 2004
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SYSTEM NAME: N/A

**TREATMENT PLANT**

Manufacturer_____	<u>Marloft</u>	_____	_____
Type_____	<u>Extended Aeration</u>	_____	_____
"Steel" or "Concrete"_____	<u>Concrete</u>	_____	_____
Total Permitted Capacity_____	<u>95,500</u>	_____	_____
Average Daily Flow_____	<u>24,000</u>	_____	_____
Method of Effluent Disposal_____	<u>Ponds</u>	_____	_____
Permitted Capacity of Disposal_____	<u>95,500</u>	_____	_____
Total Gallons of Wastewater treated_____	<u>8,740,000</u>	_____	_____

**MASTER LIFT STATION PUMPS**

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	_____
Manufacturer_____	<u>Unitronic</u>	<u>Unitronic</u>	<u>Unitronic</u>	<u>Unitronic</u>	<u>Unitronic</u>	_____
Capacity (GPM's)_____	<u>195</u>	<u>150</u>	<u>24</u>	<u>200</u>	<u>200</u>	_____
Motor:						
Manufacturer_____	<u>Hydromatic</u>	<u>Hydromatic</u>	<u>Hydromatic</u>	<u>Hydromatic</u>	<u>Hydromatic</u>	_____
Horsepower_____	<u>5</u>	<u>5</u>	<u>2</u>	<u>5</u>	<u>5</u>	_____
Power (Electric or Mechanical)_____	<u>Electric</u>	<u>Electric</u>	<u>Electric</u>	<u>Electric</u>	<u>Electric</u>	_____

**PUMPING WASTEWATER STATISTICS**

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January_____	<u>840,000</u>	_____	<u>840,000</u>
February_____	<u>960,000</u>	_____	<u>960,000</u>
March_____	<u>980,000</u>	_____	<u>980,000</u>
April_____	<u>760,000</u>	_____	<u>760,000</u>
May_____	<u>620,000</u>	_____	<u>620,000</u>
June_____	<u>460,000</u>	_____	<u>460,000</u>
July_____	<u>540,000</u>	_____	<u>540,000</u>
August_____	<u>560,000</u>	_____	<u>560,000</u>
September_____	<u>620,000</u>	_____	<u>620,000</u>
October_____	<u>680,000</u>	_____	<u>680,000</u>
November_____	<u>880,000</u>	_____	<u>880,000</u>
December_____	<u>840,000</u>	_____	<u>840,000</u>
Total for year_____	<u>8,740,000</u>	_____	<u>8,740,000</u>

If Wastewater Treatment is purchased, indicate the vendor: N/A

UTILITY NAME: Highlands Ridge Utilities, LLC

YEAR OF REPORT  
DECEMBER 31, 2004

SYSTEM NAME: N/A

**GENERAL WASTEWATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present number of ERCs\* now being served. 86 [(8,740,000 / 365) / 280]

2. Maximum number of ERCs\* which can be served. 341 (95,500 / 280)

3. Present system connection capacity (in ERCs\*) using existing lines. 341

4. Future connection capacity (in ERCs\*) upon service area buildout. 901

5. Estimated annual increase in ERCs\*. 25

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system  
None

7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known. N/A

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? Yes

If so, when? Considering implementation with next expansion phase

9. Has the utility been required by the DEP or water management district to implement reuse? No

If so, what are the utility's plans to comply with this requirement? N/A

10. When did the company last file a capacity analysis report with the DEP? June 2000

11. If the present system does not meet the requirements of DEP rules, submit the follow N/A

a. Attach a description of the plant upgrade necessary to meet the DEP rules. \_\_\_\_\_

b. Have these plans been approved by DEP? \_\_\_\_\_

c. When will construction begin? \_\_\_\_\_

d. Attach plans for funding the required upgrading. \_\_\_\_\_

e. Is this system under any Consent Order with DEP? \_\_\_\_\_

12. Department of Environmental Protection ID # FL 014339

\* An ERC is determined based on one of the following methods:

(a) If actual flow data are available from the preceding 12 months:

Divide the total annual single family residence (SFR) gallons sold by the average number of single family residents (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available use:

ERC = (Total SFR gallons sold (omit 000/365 days/280 gallons per day).

# 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.

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) \*

Date: \_\_\_\_\_

1.  2.  3.  4.

\_\_\_\_\_  
(signature of chief financial officer of the utility) \*

Date: \_\_\_\_\_

\* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. 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.