

**CLASS "C"**

**WATER AND/OR WASTEWATER UTILITIES**

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

**ANNUAL REPORT**

WU013 36  
Bayshore Utilities, Inc.  
2259 Clubhouse Road  
North Ft. Myers, FL 33917 2523

129-S

Certificate Number(s)

Submitted To The

**STATE OF FLORIDA**



**RECEIVED**

APR -2 1999  
Florida Public Service Commission  
Division of Water and Wastewater

**PUBLIC SERVICE COMMISSION**

FOR THE

**YEAR ENDED DECEMBER 31, 1998**

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APR 2 1999  
FLORIDA PUBLIC SERVICE COMMISSION  
DIVISION OF WATER AND WASTEWATER



Member  
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Management Consulting Services Division  
Florida Institute of Certified Public Accountants  
National Litigation Support Services Association

To the Board of Directors  
Bayshore Utility, Inc.  
N. Ft. Myers, Florida

We have compiled the balance sheet of Bayshore Utility, Inc. as of December 31, 1998 and the related statement of income for the year then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting in the form prescribed by the Florida Public Service Commission, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

There financial statements and supplementary information are presented in accordance with the requirements of the Florida Public Service Commission which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

*Markham Norton Stroemer & Company P.A.*

MARKHAM NORTON STROEMER & COMPANY, P.A.  
March 26, 1998

UTILITY NAME RAYSHORE UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

CAPITAL STOCK ( 201 - 204 )

	Common Stock	Preferred Stock
Par or stated value per share _____	<u>1</u>	_____
Shares authorized _____	<u>1,000</u>	_____
Shares issued and outstanding _____	<u>1,000</u>	_____
Total par value of stock issued _____	<u>1,000</u>	_____
Dividends declared per share for year _____	<u>0</u>	_____

RETAINED EARNINGS ( 215 )

	Appropriated	Un-Appropriated
Balance first of year _____	\$ _____	\$ <u>19,992</u>
Changes during the year (Specify):		
<u>NET INCOME</u>	_____	<u>7,442</u>
<u>DISTRIBUTION TO STOCKHOLDERS</u>	_____	<u>(6,367)</u>
Balance end of year _____	\$ _____	\$ <u>21,067</u>

PROPRIETARY CAPITAL ( 218 )

	Proprietor Or Partner	Partner
Balance first of year _____	\$ _____	\$ _____
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	
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total _____			\$ _____

UTILITY NAME: BAYSHORE UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

**TAXES ACCRUED ( 236 )**

(a)	Water (b)	Wastewater (c)	Other (d)	Total (e)
1. Balance first of year	\$ 2,855	\$	\$	\$ 2,855
Add Accruals charged:				
State ad valorem tax	\$	\$	\$	\$
Local property tax				
Federal income tax				
State income tax				
Regulatory assessment fee	2,460			2,460
Other (Specify)				
PAYROLL	630			630
OTHER	593			593
2. Total Taxes Accrued	\$ 3,683	\$	\$	\$ 3,683
Deduct Taxes Paid:				
State ad valorem tax	\$	\$	\$	\$
Local property tax				
Federal income tax				
State income tax				
Regulatory assessment fee	2,421			2,421
Other (Specify)				
PAYROLL	631			631
OTHER	593			593
3. Total Taxes Paid	\$ 3,643	\$	\$	\$ 3,643
4. Balance end of year ( 1 + 2 - 3 = 4 )	\$ 2,893	\$	\$	\$ 2,893

**PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

Report all information concerning outside rate, management, construction, advertising, labor relations, public relations, or other similiar 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
MARKHAM NORTON STROEMER & CO	\$ 1,729	\$	ACCOUNTING
WW WATER SYSTEMS	\$ 15,265	\$	PLANT OPERATIONS & MAINTENANCE
KAYS	\$ 2,135	\$	BILLING SERVICE
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	

UTILITY NAME: RAYSHORE UTILITIES, 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	\$	\$	\$	\$
302	Franchises				8,000
303	Land and Land Rights	8,000			43,501
304	Structures and Improvements	43,501			
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels				29,724
309	Supply Mains	29,724			
310	Power Generation Equipment				2,501
311	Pumping Equipment	2,501			7,815
320	Water Treatment Equipment	7,815			
330	Distribution Reservoirs and Standpipes	9,800			9,800
331	Transmission and Distribution Lines	3,546			3,546
333	Services				
334	Meters and Meter Installations	10,952			10,952
335	Hydrants				
339	Other Plant and Miscellaneous Equipment		600		600
340	Office Furniture and Equipment	2,351			2,351
341	Transportation Equipment	12,749		12,749	0
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	\$ 130,939	\$ 600	\$ 12,749	\$ 118,790

UTILITY NAME: RAYSHORE UTILITIES, INC.

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	15	%	6.67	\$ 28,370	\$	\$ 1,682	\$ 30,052
305	Collecting and Impounding Reservoirs		%					
306	Lake, River and Other Intakes		%					
307	Wells and Springs		%					
308	Infiltration Galleries & Tunnels		%					
309	Supply Mains		%					
310	Power Generating Equipment	7.5	%	13.33	21,745		1,023	22,768
311	Pumping Equipment	6	%	16.67	2,501			2,501
320	Water Treatment Equipment	7	%	14.29	3,999		0	3,999
330	Distribution Reservoirs & Standpipes	15	%	6.67	9,300		56	9,356
331	Trans. & Dist. Mains	11	%	9.09	3,546			3,546
333	Services		%					
334	Meter & Meter Installations	6	%	16.67	10,952			10,952
335	Hydrants		%					
339	Other Plant and Miscellaneous Equipment	7	%	7.0	0		43	43
340	Office Furniture and Equipment	7	%	14.29	1,427			1,427
341	Transportation Equipment	5	%	10.00	12,749	12,749	419	1,846
342	Stores Equipment		%					0
343	Tools, Shop and Garage Equipment		%					
344	Laboratory Equipment		%					
345	Power Operated Equipment		%					
346	Communication Equipment		%					
347	Miscellaneous Equipment		%					
348	Other Tangible Plant		%					
	Totals				\$ 94,589	\$ 12,749	\$ 3,223	\$ 85,063

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



**WATER OPERATION AND MAINTENANCE EXPENSE**

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 7,500
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	
604	Employee Pensions and Benefits	
610	Purchased Water	3,490
615	Purchased Power	
616	Fuel for Power Production	1,185
618	Chemicals	1,908
620	Materials and Supplies	
630	Contractual Services:	23,574
	Operator and Management	
	Testing	
	Other	
640	Rents	400
650	Transportation Expense	1,646
655	Insurance Expense	
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	1,995
675	Miscellaneous Expenses <u>SAMPLES \$3,131 AMORTIZATION OF ACQUISITION</u>	
	<u>ADJUSTMENT \$(1,136)</u>	
	Total Water Operation And Maintenance Expense	\$ 41,698 *

\* 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	183	184	184
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0			
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	183	184
				184	184

UTILITY NAME: BAYSHORE UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

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

**PUMPING AND PURCHASED WATER STATISTICS**

(a)	(b)	(c)	(d)	(e)	(f)
	Water Purchased For Resale (Omit 000's)	Finished Water From Wells (Omit 000's)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)]	Water Sold To Customers (Omit 000's)
January		1446.1	721.0	725.1	725.1
February		1014.8	202.0	812.8	812.8
March		1185.9	313.5	872.4	872.4
April		1190.7	301.9	888.8	888.8
May		1431.6	507.3	924.3	924.3
June		1283.4	245.7	1037.7	1037.7
July		1010.0	320.9	689.1	689.1
August		1101.4	357.8	743.6	743.6
September		987.2	351.3	635.9	635.9
October		1258.6	335.1	923.5	923.5
November		1283.3	668.2	615.1	615.1
December		1386.1	475.9	910.2	910.2
Total for Year		14,579.1	4800.6	9778.5	9778.5

If water is purchased for resale, indicate the following:

Vendor N/A  
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	1 1/2"	460			460
PVC	2 1/2"	6,540			6,540
PVC	3"	720			720
CAST IRON	4"	2,150			2,150
PVC	5"	2,950			2,950



UTILITY NAME: RAYSHORE UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

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

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

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1963	1982	_____	_____
Types of Well Construction and Casing _____	GALVANIZED	PVC	_____	_____
_____	_____	_____	_____	_____
Depth of Wells _____	280'	230'	_____	_____
Diameters of Wells _____	4"	6"	_____	_____
Pump - GPM _____	80"	150"	_____	_____
Motor - HP _____	5	15	_____	_____
Motor Type * _____	115,200	216,000	_____	_____
Yields of Wells in GPD _____	_____	_____	_____	_____
Auxiliary Power _____	_____	_____	_____	_____

\* Submersible, centrifugal, etc.

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	STORAGE CONCRETE	HYDROPNEUMATIC	_____	_____
Capacity of Tank _____	REINF. STEEL 17,500 GAL	2,100 GAL	_____	_____
Ground or Elevated _____	GROUND	GROUND	_____	_____

**HIGH SERVICE PUMPING**

(a)	(b)	(c)	(d)	(e)
<b>Motors</b>				
Manufacturer _____	MARATHON	G.F.	A.D. SMITH	WIS WIS
Type _____	240 V/AC	240 V/AC	115V/AC	GAS GAS
Rated Horsepower _____	10	10	5	18.3
<b>Pumps</b>				
Manufacturer _____	_____	_____	_____	_____
Type _____	_____	_____	_____	_____
Capacity in GPM _____	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN
Average Number of Hours Operated Per Day _____	3 1/2	RELICT	8	BANKRUPT
Auxiliary Power _____	_____	_____	_____	_____

UTILITY NAME: RAYSHORE UTILITIES, INC.

YEAR OF REPORT  
DECEMBER 31, 1998

**SOURCE OF SUPPLY**

List for each source of supply ( Ground, Surface, Purchased Water etc. )			
Gals. per day of source	<u>115,200</u>	<u>116,000</u>	
Type of Source	<u>WELL</u>	<u>WELL</u>	

**WATER TREATMENT FACILITIES**

List for each Water Treatment Facility:			
Type	<u>AERATION &amp; CHLORINATION</u>		
Make	<u>WALLACE &amp; TURMAN</u>		
Gals. per day capacity	<u>331,200</u>		
High service pumping			
Gallons per minute			
Reverse Osmosis			
Lime Treatment			
Unit Rating			
Filtration			
Pressure Sq. Ft.			
Gravity GPD/Sq.Ft.			
Disinfection			
Chlorinator			
Ozone			
Other			
Auxiliary Power			

**OTHER WATER 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 76,5443
2. Maximum ERCs \*\* that system can efficiently serve 946.29
3. Present system connection capacity (in ERC's) using existing lines \_\_\_\_\_
4. Future connection capacity (in ERC's) upon service area buildout \_\_\_\_\_
5. Estimated annual increase in ERCs \* 5%
6. List fire fighting facilities and capacities (including number of fire hydrants) N/A
  
7. List percent of certificated area where service connections are installed (total for each county)  
92.89%
8. What is the current need for system upgrading and/or expansion? N/A
9. What are plans for future system upgrading and/or expansion? N/A
10. Have questions 8 and 9 been discussed with an engineer? (if so, state name and address)  
N/A
11. Has an application for a construction permit been filed with the DEP? (if so, explain)  
N/A
12. Department of Environmental Protection ID # \_\_\_\_\_  
Water Management District ID # \_\_\_\_\_

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

BAYSHORE UTILITY  
 GALLONS TREATED  
 DECEMBER 31, 1998

PRESENT ERC's

Gallons Sold           9,778,540  
 Days                    365  
 Denominator           350

76.5443

W-6

RAW	LOSS	TREATED/BILLED
1,446.1	721.0	725.1
1,014.8	202.0	812.8
1,185.9	313.5	872.4
1,190.7	301.9	888.8
1,431.6	507.3	924.3
1,283.4	245.7	1,037.7
1,010.0	320.9	689.1
1,101.4	357.8	743.6
987.2	351.3	635.9
1,258.6	335.1	923.5
1,283.3	668.2	615.1
1,386.1	475.9	910.2
14,579.1	4,800.6	9,778.5

# **WASTEWATER OPERATING SECTION**

**Note:** This utility is a water only service; therefore, Pages S-1 through S-6 have been omitted from this report.

# CERTIFICATION OF ANNUAL REPORT

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

- |  |                                |   |
|--|--------------------------------|---|
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 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<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.  |
| YES<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 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<br><input checked="" type="checkbox"/> | NO<br><input type="checkbox"/> | 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.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

1.	2.	3.	4.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\_\_\_\_\_  
 (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.