

CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

WS968-18-AR

HC Waterworks, Inc.

Exact Legal Name of Respondent

OFFICIAL COPY
Public Service Commission
Not Remove From This Office

422-W & 359-S
Certificate Number(s)

Submitted To The

STATE OF FLORIDA



FOR THE

YEAR ENDED DECEMBER 31, 2018

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
2019 MAR 14 AM 7:57
DIVISION OF
ACCOUNTING & FINANCE

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent, enter the words "Not Applicable." Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by computer or typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added, provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. For water and wastewater utilities with more than one rate group and/or system, water and wastewater pages should be completed for each rate group and/or system group. These pages should be grouped together and tabbed by rate group and/or system.
11. All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported as "Other than Reporting Systems."
12. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
13. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
14. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

The fourth copy should be retained by the utility.

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EXECUTIVE SUMMARY

UTILITY NAME: HC Waterworks, Inc.

CERTIFICATION OF ANNUAL REPORT

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

YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.
--	--------------------------------	--

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

YES <input checked="" type="checkbox"/>	NO <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 the financial statement of the utility.
--	--------------------------------	---

YES <input checked="" type="checkbox"/>	NO <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 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.
X	X	X	X

1.	2.	3.	4.



 (Signature of Chief Executive Officer of the utility) *

 (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 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.

ANNUAL REPORT OF

YEAR OF REPORT
December 31, 2018

HC Waterworks, Inc.
(Exact Name of Utility)

County: Highlands

List below the exact mailing address of the utility for which normal correspondence should be sent:

4939 Cross Bayou Blvd.
New Port Richey, Fl 34652

Telephone: 727-848-8292

E Mail Address: trendell@uswatercorp.net

WEB Site: www.mywaterservice.com

Sunshine State One-Call of Florida, Inc. Member Number AU-1914, FWS-632, AU-1915

Name and address of person to whom correspondence concerning this report should be addressed:

Troy Rendell
Vice President, Investor Owned Utilities

Telephone: 727-848-8292

List below the address of where the utility's books and records are located:

4939 Cross Bayou Blvd.
New Port Richey, Fl 34652

Telephone: 727-659-5522

List below any groups auditing or reviewing the records and operations:

Date of original organization of the utility: 02/25/13

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

Individual Partnership Sub S Corporation 1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	<u>Gary Deremer</u>	<u>51%</u>
2.	<u>Cecil Delcher</u>	<u>13%</u>
3.	<u>David Shultz, Sr.</u>	<u>8%</u>
4.	<u>Victoria Penick</u>	<u>7%</u>
5.	<u>Joseph Gabay</u>	<u>7%</u>
6.	<u>Jeffrey Dupont</u>	<u>7%</u>
7.	<u>Aaron Voss</u>	<u>7%</u>
8.	_____	_____
9.	_____	_____
10.	_____	_____

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major goals and objectives.
- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

The utility was originally organized, as Leisure Lakes Utilities, Certificate #422-W and 359-S in 1984. The utility has changed ownership and names over the years, most recently owned by Aqua Utilities of Florida, Inc.

Commission Order No. PSC-14-0314-PAA-WS, was issued on June 13, 2014 making the transfer to HC Waterworks, Inc. effective March 28, 2013.

The utility provides water service in three subdivisions known as Leisure Lakes, Lake Josephine, and Sebring Lakes, and wastewater service in Leisure Lakes, all located in Highlands County, Florida.

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT

December 31, 2018

PARENT / AFFILIATE ORGANIZATION CHART

Current as of _____ 12/31/18 _____

Complete below an organizational chart that shows all parents, subsidiaries and affiliates of the utility.
The chart must also show the relationship between the utility and affiliates listed on E-7, E-10(a) and E-10(b).

Stockholders of
HC Waterworks, Inc.

100%
HC Waterworks, Inc

76.30%
U.S. Water Services Corporation

Note: Of the seven stockholders of HC Waterworks, Inc., only two are also stockholders of U.S. Water as of 12/31/18.

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Gary Deremer	President	5%	\$ 13,200
Cecil Delcher	V. President	5%	0

COMPENSATION OF DIRECTORS

For each director, list the number of directors' meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
			\$

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018
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**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 4,861,919	\$ 5,279,293
108-110	Less: Accumulated Depreciation and Amortization	F-8	1,566,804	1,670,887
Net Plant			\$ 3,295,115	\$ 3,608,407
114-115	Utility Plant Acquisition adjustment (Net)	F-7	(558,528)	(481,878)
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 2,736,587	\$ 3,126,529
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$ 0	\$ 0
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property			\$ 0	\$ 0
123	Investment in Associated Companies	F-10	0	0
124	Utility Investments	F-10	0	0
125	Other Investments	F-10	0	0
126-127	Special Funds	F-10	0	0
Total Other Property & Investments			\$ 0	\$ 0
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 299,717	\$ 454,239
132	Special Deposits	F-9	0	0
133	Other Special Deposits	F-9	0	0
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	108,323	99,726
145	Accounts Receivable from Associated Companies	F-12	0	0
146	Notes Receivable from Associated Companies	F-12	0	0
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments		11,896	11,923
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Miscellaneous Current and Accrued Assets	F-12	0	0
Total Current and Accrued Assets			\$ 419,936	\$ 565,888

* Not Applicable for Class B Utilities

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018
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**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-13	\$ 0	\$ 0
182	Extraordinary Property Losses	F-13	0	0
183	Preliminary Survey & Investigation Charges			
184	Clearing Accounts			
185 *	Temporary Facilities			
186	Miscellaneous Deferred Debits	F-14	1,688	563
187 *	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
Total Deferred Debits			\$ 1,688	\$ 563
TOTAL ASSETS AND OTHER DEBITS			\$ 3,158,210	\$ 3,692,979

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 571,093	\$ 571,093
204	Preferred Stock Issued	F-15	0	0
202,205 *	Capital Stock Subscribed			
203,206 *	Capital Stock Liability for Conversion			
207 *	Premium on Capital Stock			
209 *	Reduction in Par or Stated Value of Capital Stock			
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid - In Capital		730,007	730,007
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	207,313	271,741
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ 1,508,413	\$ 1,572,841
LONG TERM DEBT				
221	Bonds	F-15	0	0
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17	0	0
224	Other Long Term Debt	F-17	1,148,410	1,097,815
Total Long Term Debt			\$ 1,148,410	\$ 1,097,815
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		6,685	514,576
232	Notes Payable	F-18	0	0
233	Accounts Payable to Associated Companies	F-18	0	0
234	Notes Payable to Associated Companies	F-18	0	0
235	Customer Deposits		31,204	36,985
236	Accrued Taxes	W/S-3		7,072
237	Accrued Interest	F-19	0	0
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20	79,202	92,242
Total Current & Accrued Liabilities			\$ 117,091	\$ 650,875

* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ 0	\$ 0
252	Advances For Construction	F-20	0	0
253	Other Deferred Credits	F-21	0	0
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			\$ <u>0</u>	\$ <u>0</u>
OPERATING RESERVES				
261	Property Insurance Reserve		\$	\$
262	Injuries & Damages Reserve			
263	Pensions and Benefits Reserve			
265	Miscellaneous Operating Reserves			
Total Operating Reserves			\$ <u>0</u>	\$ <u>0</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 1,242,121	\$ 1,267,597
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	857,824	(896,181)
Total Net CIAC			\$ <u>384,297</u>	\$ <u>371,417</u>
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$	\$
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other			
Total Accumulated Deferred Income Tax			\$ <u>0</u>	\$ <u>0</u>
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ <u>3,158,211</u>	\$ <u>3,692,947</u>

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT

December 31, 2018

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 652,648	\$ 644,804
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	627	3,059
Net Operating Revenues			\$ 652,021	\$ 641,745
401	Operating Expenses	F-3(b)	\$ 394,318	\$ 420,732
403	Depreciation Expense:	F-3(b)	\$ 151,220	\$ 161,263
	Less: Amortization of CIAC	F-22	38,510	38,357
Net Depreciation Expense			\$ 112,710	\$ 122,906
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)	(76,650)	(76,650)
407	Amortization Expense (Other than CIAC)	F-3(b)	402	226
408	Taxes Other Than Income	W/S-3	54,554	65,557
409	Current Income Taxes	W/S-3	0	0
410.1	Deferred Federal Income Taxes	W/S-3	0	0
410.11	Deferred State Income Taxes	W/S-3	0	0
411.1	Provision for Deferred Income Taxes - Credit	W/S-3	0	0
412.1	Investment Tax Credits Deferred to Future Periods	W/S-3	0	0
412.11	Investment Tax Credits Restored to Operating Income	W/S-3	0	0
Utility Operating Expenses			\$ 485,334	\$ 532,772
Net Utility Operating Income			\$ 166,687	\$ 108,972
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	627	3,059
413	Income From Utility Plant Leased to Others		0	0
414	Gains (losses) From Disposition of Utility Property		0	0
420	Allowance for Funds Used During Construction		0	0
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 167,314	\$ 112,031

* For each account, Column e should agree with Columns f, g and h on F-3(b)

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ <u>557,728</u> 3,059	\$ <u>87,075</u> 0	\$ _____
\$ <u>554,669</u>	\$ <u>87,075</u>	\$ <u>0</u>
\$ 347,799	\$ 72,933	\$ _____
<u>153,821</u> 31,611	<u>7,442</u> 6,746	_____
\$ <u>122,211</u>	\$ <u>695</u>	\$ <u>0</u>
<u>(74,935)</u> 164 50,461 0 0 0 0 0 0 0	<u>(1,715)</u> 62 15,096 0 0 0 0 0 0 0	_____ _____ _____ _____ _____ _____ _____ _____ _____ _____
\$ <u>445,701</u>	\$ <u>87,071</u>	\$ <u>0</u>
\$ <u>108,968</u>	\$ <u>4</u>	\$ <u>0</u>
<u>3,059</u> 0 0 0	<u>0</u> 0 0 0	_____ _____ _____ _____
\$ <u>112,027</u>	\$ <u>4</u>	\$ <u>0</u>

* Total of Schedules W-3 / S-3 for all rate groups.

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT

December 31, 2018

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 167,314	\$ 112,031
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$	\$
416	Costs & Expenses of Merchandising Jobbing, and Contract Work			
419	Interest and Dividend Income			
421	Nonutility Income			
426	Miscellaneous Nonutility Expenses			
Total Other Income and Deductions			\$ 0	\$ 0
TAXES APPLICABLE TO OTHER INCOME				
408.2	Taxes Other Than Income		\$	\$
409.2	Income Taxes			
410.2	Provision for Deferred Income Taxes			
411.2	Provision for Deferred Income Taxes - Credit			
412.2	Investment Tax Credits - Net			
412.3	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable To Other Income			\$ 0	\$ 0
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ 30,294	\$ 47,604
428	Amortization of Debt Discount & Expense	F-13	0	0
429	Amortization of Premium on Debt	F-13	0	0
Total Interest Expense			\$ 30,294	\$ 47,604
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions			
409.3	Income Taxes, Extraordinary Items			
Total Extraordinary Items			\$ 0	\$ 0
NET INCOME			\$ 137,019	\$ 64,428

Explain Extraordinary Income:

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 4,456,414	\$ 396,483
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	<u>1,346,804</u>	<u>322,225</u>
110	Accumulated Amortization	F-8	<u>1,325</u>	<u>532</u>
271	Contributions in Aid of Construction	F-22	<u>912,147</u>	<u>355,450</u>
252	Advances for Construction	F-20		
Subtotal			\$ <u>2,196,137</u>	\$ <u>(281,724)</u>
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	623,612	272,569
Subtotal			\$ <u>2,819,749</u>	\$ <u>(9,155)</u>
114	Plus or Minus: Acquisition Adjustments (2)	F-7	<u>(809,041)</u>	<u>(14,994)</u>
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	<u>(334,500)</u>	<u>(7,657)</u>
	Working Capital Allowance (3)		<u>43,475</u>	<u>9,117</u>
	Other (Specify): _____ _____ _____			
RATE BASE			\$ <u><u>1,719,683</u></u>	\$ <u><u>(22,690)</u></u>
NET UTILITY OPERATING INCOME			\$ <u><u>108,968</u></u>	\$ <u><u>4</u></u>
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			<u><u>6.34%</u></u>	<u><u>-0.02%</u></u>

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018
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**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 4,456,414	\$ 396,483	\$ _____	\$ 4,852,897
102	Utility Plant Leased to Other	_____	_____	_____	0
103	Property Held for Future Use	_____	_____	_____	0
104	Utility Plant Purchased or Sold	_____	_____	_____	0
105	Construction Work in Progress	426,396	_____	_____	426,396
106	Completed Construction Not Classified	_____	_____	_____	0
	Total Utility Plant	<u>\$ 4,882,810</u>	<u>\$ 396,483</u>	<u>\$ 0</u>	<u>\$ 5,279,293</u>

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately.
For any acquisition adjustments approved by the Commission, include the Order Number.

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ (809,041)	\$ (14,994)	\$ _____	\$ (824,035)
		_____	_____	_____	0
		_____	_____	_____	0
		_____	_____	_____	0
	Total Plant Acquisition Adjustments	<u>\$ (809,041)</u>	<u>\$ (14,994)</u>	<u>\$ 0</u>	<u>\$ (824,035)</u>
115	Accumulated Amortization	\$ (334,500)	\$ (7,657)	\$ _____	\$ (342,157)
		_____	_____	_____	0
		_____	_____	_____	0
		_____	_____	_____	0
	Total Accumulated Amortization	<u>\$ (334,500)</u>	<u>\$ (7,657)</u>	<u>\$ 0</u>	<u>\$ (342,157)</u>
	Net Acquisition Adjustments	<u>\$ (474,541)</u>	<u>\$ (7,337)</u>	<u>\$ 0</u>	<u>\$ (481,878)</u>

ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION				
Account 108				
Balance first of year	\$ 1,250,389	\$ 314,784	\$	\$ 1,565,173
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 153,821	\$ 7,442	\$	\$ 161,263
Account 108.2 (2)	_____	_____	_____	0
Account 108.3 (2)	_____	_____	_____	0
Other Accounts (specify):	_____	_____	_____	0
	_____	_____	_____	0
Salvage	_____	_____	_____	0
Other Credits (Specify):	_____	_____	_____	0
	_____	_____	_____	0
Total Credits	\$ 153,821	\$ 7,442	\$ 0	\$ 161,263
Debits during year:				
Book cost of plant retired	57,406	_____	_____	57,406
Cost of Removal	_____	_____	_____	0
Other Debits (specify):	_____	_____	_____	0
	_____	_____	_____	0
Total Debits	\$ 57,406	\$ 0	\$ 0	\$ 57,406
Balance end of year	\$ <u>1,346,804</u>	\$ <u>322,225</u>	\$ <u>0</u>	\$ <u>1,669,030</u>
ACCUMULATED AMORTIZATION				
Account 110				
Balance first of year	\$ 1,161	\$ 470	\$	\$ 1,631
Credit during year:				
Accruals charged to:				
Account 110.2 (3)	\$ 164	\$ 62	\$	\$ 226
Other Accounts (specify):	_____	_____	_____	0
	_____	_____	_____	0
Total credits	\$ 164	\$ 62	\$ 0	\$ 226
Debits during year:				
Book cost of plant retired	_____	_____	_____	0
Other debits (specify):	_____	_____	_____	0
	_____	_____	_____	0
Total Debits	\$ 0	\$ 0	\$ 0	\$ 0
Balance end of year	\$ <u>1,325</u>	\$ <u>532</u>	\$ <u>0</u>	\$ <u>1,857</u>

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018
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**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
Rate Case - Docket No. 140158-WS	\$ 4,500	0	\$ 0
Total	\$ 4,500		\$ 0

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.
Other Items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
	\$	\$	\$	\$ 0
				0
				0
				0
Total Nonutility Property	\$ 0	\$ 0	\$ 0	\$ 0

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133.

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132):	
	\$
Total Special Deposits	\$ 0
OTHER SPECIAL DEPOSITS (Account 133):	
	\$
Total Other Special Deposits	\$ 0

UTILITY NAME: HC Waterworks, Inc.

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INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123 - 127

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Investment in Associated Companies		\$ <u>0</u>
UTILITY INVESTMENTS (Account 124): _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Utility Investment		\$ <u>0</u>
OTHER INVESTMENTS (Account 125): _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Other Investment		\$ <u>0</u>
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): _____ _____ _____ _____ _____		\$ _____ _____ _____ _____ _____
Total Special Funds		\$ <u>0</u>

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT

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**ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144**

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in
Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ 52,743	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 52,743
OTHER ACCOUNTS RECEIVABLE (Account 142):		
Unbilled Revenue	\$ 49,633	
Total Other Accounts Receivable		\$ 49,633
NOTES RECEIVABLE (Account 144):		
	\$	
Total Notes Receivable		\$ 0
Total Accounts and Notes Receivable		\$ 102,376
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ 0	
Add: Provision for uncollectibles for current year	\$ 2,650	
Collection of accounts previously written off		
Utility Accounts		
Others		
Total Additions	\$ 2,650	
Deduct accounts written off during year:		
Utility Accounts		
Others		
Total accounts written off	\$ 0	
Balance end of year		\$ 2,650
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 99,726

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
ACCOUNTS 181 AND 251**

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181): _____ _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Unamortized Debt Discount and Expense	\$ <u>0</u>	\$ <u>0</u>
UNAMORTIZED PREMIUM ON DEBT (Account 251): _____ _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Unamortized Premium on Debt	\$ <u>0</u>	\$ <u>0</u>

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
_____ _____ _____	\$ _____ _____ _____
Total Extraordinary Property Losses	\$ <u>0</u>

YEAR OF REPORT

UTILITY NAME: HC Waterworks, Inc.

**MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1)		
Deferred Rate Case Expense	\$ _____	\$ _____ 563
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Deferred Rate Case Expense	\$ <u> 0</u>	\$ <u> 563</u>
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Debits	\$ <u> 0</u>	\$ <u> 0</u>
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Assets	\$ <u> 0</u>	\$ <u> 0</u>
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ <u> 0</u>	\$ <u> 563</u>

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018
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STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ 207,313
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	\$ _____

	Total Credits:	\$ 0
	Debits: _____	\$ _____

	Total Debits:	\$ 0
435	Balance Transferred from Income	\$ 64,428
436	Appropriations of Retained Earnings: _____	_____

	Total Appropriations of Retained Earnings	\$ 0
437	Dividends Declared: Preferred Stock Dividends Declared _____	_____
438	Common Stock Dividends Declared _____	_____
	Distributed Dividends _____	_____
	Total Dividends Declared	\$ 0
215	Year end Balance	\$ 271,741
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____

214	Total Appropriated Retained Earnings	\$ 0
Total Retained Earnings		\$ 271,741

Notes to Statement of Retained Earnings:

UTILITY NAME: HC Waterworks, Inc.

**ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt BANK OF TAMPA / USWSC	\$ 0	427	\$ 46,910	\$ 46,910	\$
Total Account 237.1	\$ 0		\$ 46,910	\$ 46,910	\$ 0
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities Customer Deposits	\$	427	\$ 694	\$ 694	\$
Total Account 237.2	\$ 0		\$ 694	\$ 694	\$ 0
Total Account 237 (1)	\$ 0		\$ 47,604	\$ 47,604	\$ 0
INTEREST EXPENSED:					
Total accrual Account 237		237	\$ 47,604		
Less Capitalized Interest Portion of AFUDC:					
Net Interest Expensed to Account No. 427 (2)			\$ 47,604		\$

(1) Must agree to F-2 (a), Beginning and
Ending Balance of Accrued Interest.
(2) Must agree to F-3 (c), Current
Year Interest Expense

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018
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**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1): _____ _____ _____ _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
Total Regulatory Liabilities	\$ _____	\$ _____
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2): _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____ _____
Total Other Deferred Liabilities	\$ _____	\$ _____
TOTAL OTHER DEFERRED CREDITS	\$ _____	\$ _____

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>898,011</u>	\$ <u>344,110</u>	\$ _____	\$ <u>1,242,121</u>
Add credits during year:	\$ <u>14,136</u>	\$ <u>11,340</u>	\$ _____	\$ <u>25,476</u>
Less debit charged during the year	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Total Contribution In Aid of Construction	\$ <u><u>912,147</u></u>	\$ <u><u>355,450</u></u>	\$ <u><u>0</u></u>	\$ <u><u>1,267,597</u></u>

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>592,001</u>	\$ <u>265,822</u>	\$ _____	\$ <u>857,824</u>
Debits during the year:	\$ <u>31,611</u>	\$ <u>6,746</u>	\$ _____	\$ <u>38,357</u>
Credits during the year	\$ <u>0</u>	\$ <u>0</u>	\$ _____	\$ <u>0</u>
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u><u>623,612</u></u>	\$ <u><u>272,569</u></u>	\$ <u><u>0</u></u>	\$ <u><u>896,181</u></u>

UTILITY NAME: HC Waterworks, Inc.

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)

1. The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ 64,428
Reconciling items for the year:		
Taxable income not reported on books:		
_____		_____
_____		_____
_____		_____
_____		_____
Deductions recorded on books not deducted for return:		
_____		_____
_____		_____
_____		_____
_____		_____
Income recorded on books not included in return:		
_____		_____
_____		_____
_____		_____
_____		_____
Deduction on return not charged against book income:		
_____		_____
_____		_____
_____		_____
_____		_____

Federal tax net income		\$ <u>64,428</u>
------------------------	--	------------------

Computation of tax :

**WATER
OPERATION
SECTION**

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT

December 31, 2018

SYSTEM NAME / COUNTY : _____

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 4,456,414
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	1,346,804
110	Accumulated Amortization	F-8	1,325
271	Contributions in Aid of Construction	W-7	912,147
252	Advances for Construction	F-20	
Subtotal			\$ 2,196,137
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 620,929
Subtotal			\$ 2,817,066
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		43,475
	Other (Specify):		
WATER RATE BASE			\$ 2,860,541
WATER OPERATING INCOME		W-3	\$ 106,286
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			3.72%

NOTES : (1) Estimate based on the methodology used in the last rate proceeding.

(2) Include only those Acquisition Adjustments that have been approved by the Commission.

(3) Calculation consistent with last rate proceeding.

In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY : _____

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	W-9	\$ 557,728
469	Less: Guaranteed Revenue and AFPI	W-9	3,059
	Net Operating Revenues		\$ 554,669
401	Operating Expenses	W-10(a)	\$ 347,799
403	Depreciation Expense	W-6(a)	153,821
	Less: Amortization of CIAC	W-8(a)	28,928
	Net Depreciation Expense		\$ 124,893
406	Amortization of Utility Plant Acquisition Adjustment	F-7	(74,935)
407	Amortization Expense (Other than CIAC)	F-8	164
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		25,098
408.11	Property Taxes		25,364
408.12	Payroll Taxes		
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 50,461
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		\$ 448,384
	Utility Operating Income		\$ 106,286
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	\$ 3,059
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ 109,345

YEAR OF REPORT
December 31, 2018

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY : _____

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ 6,576			\$ 6,576
302	Franchises	0			0
303	Land and Land Rights	25,450			25,450
304	Structures and Improvements	1,146,701			1,146,701
305	Collecting and Impounding Reservoirs	0			0
306	Lake, River and Other Intakes	0			0
307	Wells and Springs	209,605	2,100	446	211,259
308	Infiltration Galleries and Tunnels	0			0
309	Supply Mains	66,369			66,369
310	Power Generation Equipment	126,457	8,110	0	134,567
311	Pumping Equipment	163,322	3,491	0	166,814
320	Water Treatment Equipment	922,257	18,721	1,142	939,836
330	Distribution Reservoirs and Standpipes	216,382	0	0	216,382
331	Transmission and Distribution Mains	1,185,151	3,847	51,161	1,137,837
333	Services	102,993	3,332	0	106,325
334	Meters and Meter Installations	254,440	6,210	4,657	255,993
335	Hydrants	17,585			17,585
336	Backflow Prevention Devices	548			548
339	Other Plant Miscellaneous Equipment	2,647			2,647
340	Office Furniture and Equipment	0			0
341	Transportation Equipment	0			0
342	Stores Equipment	0			0
343	Tools, Shop and Garage Equipment	3,031			3,031
344	Laboratory Equipment	13,624			13,624
345	Power Operated Equipment	0			0
346	Communication Equipment	0			0
347	Miscellaneous Equipment	4,870			4,870
348	Other Tangible Plant	0			0
TOTAL WATER PLANT		\$ 4,468,008	\$ 45,812	\$ 57,406	\$ 4,456,414

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY : _____

WATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization	\$ 6,576	\$ 6,576				
302	Franchises	0					
303	Land and Land Rights	25,450		25,450			
304	Structures and Improvements	1,146,701		1,146,701			
305	Collecting and Impounding Reservoirs	0					
306	Lake, River and Other Intakes	0					
307	Wells and Springs	211,259		211,259			
308	Infiltration Galleries and Tunnels	0					
309	Supply Mains	66,369		66,369			
310	Power Generation Equipment	134,567		134,567			
311	Pumping Equipment	166,814		166,814			
320	Water Treatment Equipment	939,836			939,836		
330	Distribution Reservoirs and Standpipes	216,382				216,382	
331	Transmission and Distribution Mains	1,137,837				1,137,837	
333	Services	106,325				106,325	
334	Meters and Meter Installations	255,993				255,993	
335	Hydrants	17,585				17,585	
336	Backflow Prevention Devices	548				548	
339	Other Plant Miscellaneous Equipment	2,647				2,647	
340	Office Furniture and Equipment	0					
341	Transportation Equipment	0					
342	Stores Equipment	0					
343	Tools, Shop and Garage Equipment	3,031					3,031
344	Laboratory Equipment	13,624					13,624
345	Power Operated Equipment	0					
346	Communication Equipment	0					
347	Miscellaneous Equipment	4,870					4,870
348	Other Tangible Plant	0					
TOTAL WATER PLANT		\$ 4,456,414	\$ 6,576	\$ 1,751,159	\$ 939,836	\$ 1,737,317	\$ 21,525

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY : _____

BASIS FOR WATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements	32		3.13%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	30		3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains	35		2.86%
310	Power Generation Equipment	20		5.00%
311	Pumping Equipment	20		5.00%
320	Water Treatment Equipment	22		4.55%
330	Distribution Reservoirs and Standpipes	37		2.70%
331	Transmission and Distribution Mains	43		2.33%
333	Services	40		2.50%
334	Meters and Meter Installations	20		5.00%
335	Hydrants	45		2.22%
336	Backflow Prevention Devices	15		6.67%
339	Other Plant Miscellaneous Equipment	25		4.00%
340	Office Furniture and Equipment			
341	Transportation Equipment	6		16.67%
342	Stores Equipment			
343	Tools, Shop and Garage Equipment	16		6.25%
344	Laboratory Equipment	15		6.67%
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	15		6.67%
348	Other Tangible Plant			
Water Plant Composite Depreciation Rate *				

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY : _____

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
304	Structures and Improvements	\$ 338,615	\$ 35,834		\$ 35,834
305	Collecting and Impounding Reservoirs	0			0
306	Lake, River and Other Intakes	0			0
307	Wells and Springs	78,461	7,014		7,014
308	Infiltration Galleries and Tunnels	0	0		0
309	Supply Mains	37,104	1,896		1,896
310	Power Generation Equipment	74,477	6,421		6,421
311	Pumping Equipment	81,587	8,211		8,211
320	Water Treatment Equipment	290,540	42,389		42,389
330	Distribution Reservoirs and Standpipes	64,452	5,848		5,848
331	Transmission and Distribution Mains	150,072	26,715		26,715
333	Services	21,078	2,594		2,594
334	Meters and Meter Installations	75,865	12,769		12,769
335	Hydrants	10,434	391		391
336	Backflow Prevention Devices	401	37		37
339	Other Plant Miscellaneous Equipment	1,332	106		106
340	Office Furniture and Equipment	0			0
341	Transportation Equipment	6,668	1,945		1,945
342	Stores Equipment	0	0		0
343	Tools, Shop and Garage Equipment	3,181	744		744
344	Laboratory Equipment	9,957	908		908
345	Power Operated Equipment	0			0
346	Communication Equipment	0			0
347	Miscellaneous Equipment	6,163			0
348	Other Tangible Plant				0
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 1,250,389	153,821	0	153,821

* Specify nature of transaction
Use () to denote reversal entries.

YEAR OF REPORT
December 31, 2018

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY : _____

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-j) (k)
304	Structures and Improvements				0	\$ 374,450
305	Collecting and Impounding Reservoirs				0	0
306	Lake, River and Other Intakes				0	0
307	Wells and Springs	446			446	85,029
308	Infiltration Galleries and Tunnels				0	0
309	Supply Mains				0	39,000
310	Power Generation Equipment				0	80,898
311	Pumping Equipment				0	89,798
320	Water Treatment Equipment	1,142			1,142	331,787
330	Distribution Reservoirs and Standpipes				0	70,300
331	Transmission and Distribution Mains	51,161			51,161	125,626
333	Services				0	23,672
334	Meters and Meter Installations				4,657	83,976
335	Hydrants	4,657			0	10,825
336	Backflow Prevention Devices				0	438
339	Other Plant Miscellaneous Equipment				0	1,438
340	Office Furniture and Equipment				0	0
341	Transportation Equipment				0	8,613
342	Stores Equipment				0	0
343	Tools, Shop and Garage Equipment				0	3,925
344	Laboratory Equipment				0	10,865
345	Power Operated Equipment				0	0
346	Communication Equipment				0	0
347	Miscellaneous Equipment				0	0
348	Other Tangible Plant				0	6,163
TOTAL WATER ACCUMULATED DEPRECIATION						\$ 1,346,804

W-6(b)
GROUP _____

UTILITY NAME:

HC Waterworks, Inc.

<p>YEAR OF REPORT December 31, 2018</p>
--

SYSTEM NAME / COUNTY :

WATER CIAC SCHEDULE "A"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
Meter Installation Charge	6	\$ 210	\$ 1,260
Plant Capacity Charge	6	700	4,200
Service Installation Charge	6	1,000	6,000
Main Extension Charge	6	446	2,676
_____	_____	_____	0
_____	_____	_____	0
_____	_____	_____	0
_____	_____	_____	0
Total Credits			\$ 14,136

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 592,001
Debits during the year:	
Accruals charged to Account 272	\$ 28,928
Other debits (specify) :	
_____	_____
_____	_____
Total debits	\$ 28,928
Credits during the year (specify) :	
_____	\$ _____
_____	_____
Total credits	\$ 0
Balance end of year	\$ 620,929

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT

December 31, 2018

SYSTEM NAME / COUNTY :

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue			\$
461.1	Metered Water Revenue: Sales to Residential Customers	960	929	477,068
461.2	Sales to Commercial Customers	11	10	67,384
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities			
461.5	Sales Multiple Family Dwellings			
Total Metered Sales		971	939	\$ 544,452
462.1	Fire Protection Revenue: Public Fire Protection	1	1	
462.2	Private Fire Protection			
Total Fire Protection Revenue		1	1	\$ 0
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
Total Water Sales		972	940	\$ 544,452
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$ 3,059
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			10,217
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
Total Other Water Revenues				\$ 13,276
Total Water Operating Revenues				\$ 557,728

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT

December 31, 2018

SYSTEM NAME / COUNTY :

WATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 0	\$	\$
603	Salaries and Wages - Officers, Directors and Majority Stockholders	10,000		
604	Employee Pensions and Benefits	0		
610	Purchased Water	0		
615	Purchased Power	39,436	39,436	
616	Fuel for Power Production	0		
618	Chemicals	31,410	31,410	
620	Materials and Supplies	0		
631	Contractual Services-Engineering	5,179		
632	Contractual Services - Accounting	0		
633	Contractual Services - Legal	283		
634	Contractual Services - Mgt. Fees	0		
635	Contractual Services - Testing	31	31	
636	Contractual Services - Other	245,081	4,842	24,809
641	Rental of Building/Real Property	0		
642	Rental of Equipment	0		
650	Transportation Expenses	0		
656	Insurance - Vehicle	0		
657	Insurance - General Liability	1,784		
658	Insurance - Workman's Comp.	0		
659	Insurance - Other	0		
660	Advertising Expense	0		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	1,125		
667	Regulatory Commission Exp.-Other	0		
668	Water Resource Conservation Exp.	0		
670	Bad Debt Expense	6,229		
675	Miscellaneous Expenses	7,241		
Total Water Utility Expenses		\$ 347,799	\$ 75,720	\$ 24,809

YEAR OF REPORT
December 31, 2018

UTILITY NAME:

HC Waterworks, Inc.

SYSTEM NAME / COUNTY :

Lake Josephine / Sebring Lakes

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) (b)+(c)-(d) (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		4,103	1,626	2,477	2,110
February		3,825	1,731	2,094	2,766
March		3,741	1,220	2,521	2,393
April		3,433	1,241	2,192	2,543
May		3,526	956	2,570	2,260
June		3,428	675	2,753	2,266
July		3,422	691	2,731	2,097
August		3,955	595	3,360	1,728
September		4,682	2,256	2,427	2,178
October		4,546	1,079	3,467	2,039
November		3,856	1,142	2,714	2,239
December		3,947	1,203	2,744	2,374
Total for Year	0	46,463	14,415	32,048	26,993

If water is purchased for resale, indicate the following:

Vendor _____

Point of delivery _____

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

SOURCE OF SUPPLY

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Lake Josephine - Well #1	336,000	_____	Ground
Lake Josephine - Well #2	336,000	_____	Ground
Sebring Lakes - Well #1	216,000	_____	Ground
Sebring Lakes - Well #2	216,000	_____	Ground
_____	_____	_____	_____

W-11

GROUP _____

SYSTEM _____

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT
December 31, 2018

SYSTEM NAME / COUNTY :

Lake Josephine / Sebring Lakes

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>580,000</u>		
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Wellhead</u>		
Type of treatment (reverse osmosis, (sedimentation, chemical, aerated, etc.):	SebringLakes:	<u>Lake Josephine - Forced Draft Aeration, Chloramination Chloramination - AdEdge Hydrogen Sulfide Removal Filters</u>	
LIME TREATMENT			
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u>	Manufacturer:	<u>N/A</u>
FILTRATION	Sebring Lakes:		
Type and size of area:	<u>(6) AdEdge Filters - 48 f3/filter</u>	<u>3 at each wtp</u>	
Pressure (in square feet):	<u>100 psi</u>	Manufacturer:	<u>AdEdge</u>
Gravity (in GPM/square feet):	<u>8 - 15 gpm/f2</u>	Manufacturer:	<u>AdEdge</u>

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT
December 31, 2018

SYSTEM NAME / COUNTY :

Leisure Lakes

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		1,432	768	663	509
February		668	160	508	547
March		585	70	515	528
April		512	67	445	668
May		651	168	483	441
June		497	65	431	351
July		528	385	143	347
August		575	356	219	436
September		687	277	411	339
October		569	184	385	340
November		616	148	467	405
December		590	75	515	500
Total for Year	0	7,908	2,723	5,185	5,411

If water is purchased for resale, indicate the following:

Vendor _____

Point of delivery _____

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

SOURCE OF SUPPLY

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Leisure Lakes Well #1	192,000		Ground
Leisure Lakes Well #2	48,000		Ground
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

YEAR OF REPORT
December 31, 2018

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY : Leisure Lakes

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD):	<u>72,000</u>
Location of measurement of capacity (i.e. Wellhead, Storage Tank):	<u>Wellhead</u>
Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):	<u>Chloramination and AdEdge Hydrogen Sulfide Filters</u>
LIME TREATMENT	
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u> Manufacturer: <u>N/A</u>
FILTRATION	
Type and size of area:	<u>(2) AdEdge Filters - 48 f3/filter</u> <u>2 filters at wtp</u>
Pressure (in square feet):	<u>100 psi</u> Manufacturer: <u>AdEdge</u>
Gravity (in GPM/square feet):	<u>8 - 15 gpm/f2</u> Manufacturer: <u>AdEdge</u>

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018

SYSTEM NAME / COUNTY :

Lake Josephine / Sebring Lakes

CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
Residential and General Service		1.0		
5/8"	Displacement	1.0	628	628
3/4"	Displacement	1.5	0	
1"	Displacement	2.5	4	10
1 1/2"	Displacement or Turbine	5.0	1	5
2"	Displacement, Compound or Turbine	8.0	1	8
3"	Displacement	15.0	1	15
3"	Compound	16.0	0	
3"	Turbine	17.5	0	
4"	Displacement or Compound	25.0	0	
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				666

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use 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 residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC Calculation:

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT
December 31, 2018

SYSTEM NAME / COUNTY :

Lake Josephine / Sebring Lakes

OTHER WATER SYSTEM INFORMATION

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

1. Present ERCs * the system can efficiently serve. 669

2. Maximum number of ERCs * which can be served. 702

3. Present system connection capacity (in ERCs *) using existing lines. 669

4. Future connection capacity (in ERCs *) upon service area buildout. 702

5. Estimated annual increase in ERCs *. 3

6. Is the utility required to have fire flow capacity? Yes

If so, how much capacity is required? 750

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system:

9. When did the company last file a capacity analysis report with the DEP? Dec-18

10. If the present system **does not** meet the requirements of DEP rules:

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? _____

11. Department of Environmental Protection ID # 6280162

12. Water Management District Consumptive Use Permit # 204167.003

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 the calculation on the bottom of Page W-13.

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT
December 31, 2018

SYSTEM NAME / COUNTY :

Leisure Lakes

CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
Residential and General Service		1.0		
5/8"	Displacement	1.0	302	302
3/4"	Displacement	1.5	2	3
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0		
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				305

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use 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 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)

ERC Calculation:

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT
December 31, 2018

SYSTEM NAME / COUNTY :

Leisure Lakes

OTHER WATER SYSTEM INFORMATION

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

1. Present ERCs * the system can efficiently serve. 307

2. Maximum number of ERCs * which can be served. 307

3. Present system connection capacity (in ERCs *) using existing lines. 294

4. Future connection capacity (in ERCs *) upon service area buildout. 307

5. Estimated annual increase in ERCs *. 5

6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 500

7. Attach a description of the fire fighting facilities.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system:

Addition of Forced Draft Aeration at Leisure Lakes water treatment plant in 2019.

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:

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

Force Draft Aeration

b. Have these plans been approved by DEP? Yes

c. When will construction begin? Mar-19

d. Attach plans for funding the required upgrading.

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

11. Department of Environmental Protection ID # 6280064

12. Water Management District Consumptive Use Permit # 206456.004

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 the calculation on the bottom of Page W-13.

**WASTEWATER
OPERATION
SECTION**

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018
--

SYSTEM NAME / COUNTY : _____

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 396,483
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6(b)	322,225
110	Accumulated Amortization	F-8	532
271	Contributions in Aid of Construction	S-7	355,450
252	Advances for Construction	F-20	
Subtotal			\$ (281,724)
	Add:		
272	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	\$ 272,569
Subtotal			\$ (9,155)
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		9,117
	Other (Specify):		
WASTEWATER RATE BASE			\$ (39)
WASTEWATER OPERATING INCOME		S-3	\$ 4
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			-10.44%

- NOTES : (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018

SYSTEM NAME / COUNTY : _____

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	S-9(a)	\$ 87,075
530	Less: Guaranteed Revenue (and AFPI)	S-9(a)	0
Net Operating Revenues			\$ 87,075
401	Operating Expenses	S-10(a)	\$ 72,933
403	Depreciation Expense	S-6(a)	7,442
	Less: Amortization of CIAC	S-8(a)	6,746
Net Depreciation Expense			\$ 695
406	Amortization of Utility Plant Acquisition Adjustment	F-7	(1,715)
407	Amortization Expense (Other than CIAC)	F-8	62
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		3,918
408.11	Property Taxes		11,177
408.12	Payroll Taxes		
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 15,096
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
Utility Operating Expenses			\$ 87,071
Utility Operating Income			\$ 4
530	Add Back: Guaranteed Revenue (and AFPI)	S-9(a)	\$ 0
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
Total Utility Operating Income			\$ 4

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY :

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$ 2,034	\$	\$	\$ 2,034
352	Franchises	298			298
353	Land and Land Rights	2,200			2,200
354	Structures and Improvements	4,580			4,580
355	Power Generation Equipment	17,947			17,947
360	Collection Sewers - Force	0			0
361	Collection Sewers - Gravity	168,388	1,269		169,656
362	Special Collecting Structures	0			0
363	Services to Customers	26,876			26,876
364	Flow Measuring Devices	7,695			7,695
365	Flow Measuring Installations	0			0
366	Reuse Services	0			0
367	Reuse Meters and Meter Installations	0			0
370	Receiving Wells	11,836			11,836
371	Pumping Equipment	30,813			30,813
374	Reuse Distribution Reservoirs	0			0
375	Reuse Transmission and Distribution System	0			0
380	Treatment and Disposal Equipment	116,199	2,304		118,504
381	Plant Sewers	0			0
382	Outfall Sewer Lines	934			934
389	Other Plant Miscellaneous Equipment	2,126			2,126
390	Office Furniture and Equipment	0			0
391	Transportation Equipment	0			0
392	Stores Equipment	0			0
393	Tools, Shop and Garage Equipment	984			984
394	Laboratory Equipment	0			0
395	Power Operated Equipment	0			0
396	Communication Equipment	0			0
397	Miscellaneous Equipment	0			0
398	Other Tangible Plant	0			0
Total Wastewater Plant		\$ 392,910	\$ 3,573	\$ 0	\$ 396,483

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY : _____

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (i)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (j)	.7 GENERAL PLANT (k)
351	Organization	\$ 2,034						
352	Franchises	298						
353	Land and Land Rights		2,200					
354	Structures and Improvements		4,580					
355	Power Generation Equipment		17,947					
360	Collection Sewers - Force							
361	Collection Sewers - Gravity		169,656					
362	Special Collecting Structures							
363	Services to Customers		26,876					
364	Flow Measuring Devices		7,695					
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells			11,836				
371	Pumping Equipment			30,813				
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System							
380	Treatment and Disposal Equipment				118,504			
381	Plant Sewers							
382	Outfall Sewer Lines				934			
389	Other Plant Miscellaneous Equipment				2,126			
390	Office Furniture and Equipment							
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394	Laboratory Equipment							984
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							
	Total Wastewater Plant	\$ 2,332	\$ 228,954	\$ 42,649	\$ 121,564	\$ 0	\$ 0	\$ 984

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018
--

SYSTEM NAME / COUNTY : _____

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - D) / C (e)
354	Structures and Improvements	32		3.13%
355	Power Generation Equipment	20		5.00%
360	Collection Sewers - Force			
361	Collection Sewers - Gravity	45		2.22%
362	Special Collecting Structures			
363	Services to Customers	38		2.63%
364	Flow Measuring Devices	5		20.00%
365	Flow Measuring Installations			
366	Reuse Services			
367	Reuse Meters and Meter Installations			
370	Receiving Wells	30		3.33%
371	Pumping Equipment	18		5.56%
374	Reuse Distribution Reservoirs			
375	Reuse Transmission/Distribution Sys.			
380	Treatment and Disposal Equipment	18		5.56%
381	Plant Sewers			
382	Outfall Sewer Lines	30		3.33%
389	Other Plant Miscellaneous Equipment	18		5.56%
390	Office Furniture and Equipment			
391	Transportation Equipment			
392	Stores Equipment			
393	Tools, Shop and Garage Equipment	16		6.25%
394	Laboratory Equipment			
395	Power Operated Equipment			
396	Communication Equipment			
397	Miscellaneous Equipment			
398	Other Tangible Plant			
Wastewater Plant Composite Depreciation Rate *				

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

YEAR OF REPORT
December 31, 2018

UTILITY NAME: HC Waterworks, Inc.
SYSTEM NAME / COUNTY :

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
354	Structures and Improvements	\$ 4,580			\$ 0
355	Power Generation Equipment	10,877	897		897
360	Collection Sewers - Force	0	0		0
361	Collection Sewers - Gravity	131,409	3,753		3,753
362	Special Collecting Structures	0	0		0
363	Services to Customers	13,235	707		707
364	Flow Measuring Devices	7,801			0
365	Flow Measuring Installations	0			0
366	Reuse Services	0			0
367	Reuse Meters and Meter Installations	0			0
370	Receiving Wells	11,038	39		39
371	Pumping Equipment	21,159	1,712		1,712
374	Reuse Distribution Reservoirs	0			0
375	Reuse Transmission/Distribution Sys.	0			0
380	Treatment and Disposal Equipment	112,783	122		122
381	Plant Sewers	0	0		0
382	Outfall Sewer Lines	106	31		31
389	Other Plant Miscellaneous Equipment	1,181	118		118
390	Office Furniture and Equipment	0			0
391	Transportation Equipment	0			0
392	Stores Equipment	0			0
393	Tools, Shop and Garage Equipment	614	61		61
394	Laboratory Equipment	0			0
395	Power Operated Equipment	0			0
396	Communication Equipment	0			0
397	Miscellaneous Equipment	0			0
398	Other Tangible Plant	0			0
Total Depreciable Wastewater Plant in Service		\$ 314,784	\$ 7,442	\$ 0	\$ 7,442

* Specify nature of transaction.
Use () to denote reversal entries.

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY :

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (e+f-j) (k)
354	Structures and Improvements	\$	\$	\$	\$	\$ 4,580
355	Power Generation Equipment					11,775
360	Collection Sewers - Force					0
361	Collection Sewers - Gravity					135,161
362	Special Collecting Structures					0
363	Services to Customers					13,942
364	Flow Measuring Devices					7,801
365	Flow Measuring Installations					0
366	Reuse Services					0
367	Reuse Meters and Meter Installations					0
370	Receiving Wells					11,077
371	Pumping Equipment					22,871
374	Reuse Distribution Reservoirs					0
375	Reuse Transmission/Distribution Sys.					0
380	Treatment and Disposal Equipment					112,905
381	Plant Sewers					0
382	Outfall Sewer Lines					138
389	Other Plant Miscellaneous Equipment					1,300
390	Office Furniture and Equipment					0
391	Transportation Equipment					0
392	Stores Equipment					0
393	Tools, Shop and Garage Equipment					675
394	Laboratory Equipment					0
395	Power Operated Equipment					0
396	Communication Equipment					0
397	Miscellaneous Equipment					0
398	Other Tangible Plant					0
Total Depreciable Wastewater Plant in Service						\$ 322,225

* Specify nature of transaction.
Use () to denote reversal entries.

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018
--

SYSTEM NAME / COUNTY : _____

WASTEWATER CIAC SCHEDULE "A"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
Plant capacity charge	3	\$ 1,300	\$ 3,900
Service installation charge	3	2,000	6,000
Main Extension Charge	3	480	1,440
_____	_____	_____	0
_____	_____	_____	0
_____	_____	_____	0
_____	_____	_____	0
_____	_____	_____	0
Total Credits			\$ <u>11,340</u>

ACCUMULATED AMORTIZATION OF WASTEWATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 265,822
Debits during the year:	
Accruals charged to Account 272	\$ 6,746
Other debits (specify) :	
_____	_____
_____	_____
Total debits	\$ 6,746
Credits during the year (specify) :	
_____	\$ _____
_____	_____
Total credits	\$ 0
Balance end of year	\$ <u>272,569</u>

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018

SYSTEM NAME / COUNTY : _____

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
WASTEWATER SALES				
Flat Rate Revenues:				
521.1	Residential Revenues	_____	_____	\$ _____
521.2	Commercial Revenues	_____	_____	_____
521.3	Industrial Revenues	_____	_____	_____
521.4	Revenues From Public Authorities	_____	_____	_____
521.5	Multiple Family Dwelling Revenues	_____	_____	_____
521.6	Other Revenues	_____	_____	_____
521	Total Flat Rate Revenues	0	0	\$ _____ 0
Measured Revenues:				
522.1	Residential Revenues	319	296	87,075
522.2	Commercial Revenues	_____	_____	_____
522.3	Industrial Revenues	_____	_____	_____
522.4	Revenues From Public Authorities	_____	_____	_____
522.5	Multiple Family Dwelling Revenues	_____	_____	_____
522	Total Measured Revenues	319	296	\$ _____ 87,075
523	Revenues From Public Authorities	_____	_____	_____
524	Revenues From Other Systems	_____	_____	_____
525	Interdepartmental Revenues	_____	_____	_____
Total Wastewater Sales		<u>319</u>	<u>296</u>	\$ <u>87,075</u>
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)	_____	_____	\$ _____
531	Sale of Sludge	_____	_____	_____
532	Forfeited Discounts	_____	_____	_____
534	Rents From Wastewater Property	_____	_____	_____
535	Interdepartmental Rents	_____	_____	_____
536	Other Wastewater Revenues	_____	_____	_____
Total Other Wastewater Revenues				\$ _____ 0

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME:

HC Waterworks, Inc.

YEAR OF REPORT

December 31, 2018

SYSTEM NAME / COUNTY : _____

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
540.1	Flat Rate Reuse Revenues: Residential Reuse Revenues	_____	_____	\$ _____
540.2	Commercial Reuse Revenues	_____	_____	_____
540.3	Industrial Reuse Revenues	_____	_____	_____
540.4	Reuse Revenues From Public Authorities	_____	_____	_____
540.5	Other Revenues	_____	_____	_____
540	Total Flat Rate Reuse Revenues	0	0	\$ _____ 0
541.1	Measured Reuse Revenues: Residential Reuse Revenues	_____	_____	_____
541.2	Commercial Reuse Revenues	_____	_____	_____
541.3	Industrial Reuse Revenues	_____	_____	_____
541.4	Reuse Revenues From Public Authorities	_____	_____	_____
541	Total Measured Reuse Revenues	0	0	\$ _____ 0
544	Reuse Revenues From Other Systems	_____	_____	_____
Total Reclaimed Water Sales				\$ _____ 0
Total Wastewater Operating Revenues				\$ <u>87,075</u>

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY :

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES- OPERATIONS (d)	.2 COLLECTION EXPENSES- MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 0	\$	\$	\$	\$	\$	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders	3,200						
704	Employee Pensions and Benefits	0						
710	Purchased Sewage Treatment	0						
711	Sludge Removal Expense	950					950	
715	Purchased Power	3,468					3,468	
716	Fuel for Power Production	0						
718	Chemicals	300					300	
720	Materials and Supplies	0						
731	Contractual Services-Engineering	0						
732	Contractual Services - Accounting	188						
733	Contractual Services - Legal	283						
734	Contractual Services - Mgt. Fees	0						
735	Contractual Services - Testing	0						
736	Contractual Services - Other	63,763		12,439			20,797	9,076
741	Rental of Building/Real Property	0						
742	Rental of Equipment	0						
750	Transportation Expenses	0						
756	Insurance - Vehicle	0						
757	Insurance - General Liability	613						
758	Insurance - Workman's Comp.	0						
759	Insurance - Other	0						
760	Advertising Expense	0						
766	Regulatory Commission Expenses	0						
767	- Amortization of Rate Case Expense	0						
770	Regulatory Commission Exp.-Other	0						
770	Bad Debt Expense	169						
775	Miscellaneous Expenses	0						
Total Wastewater Utility Expenses		\$ 72,933	\$ 0	\$ 12,439	\$ 0	\$ 0	\$ 25,515	\$ 9,076

UTILITY NAME: HC Waterworks, Inc.

SYSTEM NAME / COUNTY :

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE (o)
701	Salaries and Wages - Employees	\$		\$	\$	\$	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders		3,200				
704	Employee Pensions and Benefits						
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services-Engineering						
732	Contractual Services - Accounting		188				
733	Contractual Services - Legal		283				
734	Contractual Services - Mgt. Fees						
735	Contractual Services - Testing						
736	Contractual Services - Other	5,831	15,620				
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expenses						
756	Insurance - Vehicle						
757	Insurance - General Liability		613				
758	Insurance - Workman's Comp.						
759	Insurance - Other						
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense	169					
775	Miscellaneous Expenses						
Total Wastewater Utility Expenses		\$ 5,999	\$ 19,904	\$ 0	\$ 0	\$ 0	\$ 0

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT December 31, 2018
--

SYSTEM NAME / COUNTY : _____

CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS

WATER METER SIZE (a)	TYPE OF WATER METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF WATER METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		0
5/8"	Displacement	1.0	296	296
3/4"	Displacement	1.5		0
1"	Displacement	2.5		0
1 1/2"	Displacement or Turbine	5.0		0
2"	Displacement, Compound or Turbine	8.0		0
3"	Displacement	15.0		0
3"	Compound	16.0		0
3"	Turbine	17.5		0
4"	Displacement or Compound	25.0		0
4"	Turbine	30.0		0
6"	Displacement or Compound	50.0		0
6"	Turbine	62.5		0
8"	Compound	80.0		0
8"	Turbine	90.0		0
10"	Compound	115.0		0
10"	Turbine	145.0		0
12"	Turbine	215.0		0
Total Wastewater System Meter Equivalents				296

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use 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 residence customers for the same period and divide the result by 365 days.

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

$$ERC = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC Calculation:

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT
December 31, 2018

SYSTEM NAME / COUNTY : _____

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	50,000	_____	_____
Basis of Permit Capacity (1)	AADF	_____	_____
Manufacturer	Defiance	_____	_____
Type (2)	Ext. Aeration	_____	_____
Hydraulic Capacity	.050 MGD	_____	_____
Average Daily Flow	15,890	_____	_____
Total Gallons of Wastewater Treated	5,800,000	_____	_____
Method of Effluent Disposal	Percolation Ponds	_____	_____

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit
(i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: HC Waterworks, Inc.

YEAR OF REPORT
December 31, 2018

SYSTEM NAME / COUNTY : _____

OTHER 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	_____	296
2. Maximum number of ERCs* which can be served	_____	319
3. Present system connection capacity (in ERCs*) using existing lines	_____	319
4. Future connection capacity (in ERCs*) upon service area buildout	_____	319
5. Estimated annual increase in ERCs*	_____	5 - 6
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system	_____ _____ _____	
7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.	_____	
8. If the utility does not engage in reuse, has a reuse feasibility study been completed?	_____	No
If so, when?	_____	N/A
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?	_____	Apr-13
11. If the present system does not meet the requirements of DEP rules:		
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.		
e. Is this system under any Consent Order with DEP?	_____	No
12. Department of Environmental Protection ID #	_____	FLA014388

* An ERC is determined based on the calculation on S-11.

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Water Operations
Class A & B**

**Company: HC WATERWORKS, INC.
For the Year Ended December 31, 2018**

(a)	(b)	(c)	(d)
Accounts	Gross Water Revenues Per Sch. W-9	Gross Water Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Unmetered Water Revenues (460)	\$ _____	\$ _____	\$ _____
Total Metered Sales (461.1 - 461.5)	544,452	544,452	0
Total Fire Protection Revenue (462.1 - 462.2)	_____	_____	_____
Other Sales to Public Authorities (464)	_____	_____	_____
Sales to Irrigation Customers (465)	_____	_____	_____
Sales for Resale (466)	_____	_____	_____
Interdepartmental Sales (467)	_____	_____	_____
Total Other Water Revenues (469 - 474)	10,217	10,217	0
Total Water Operating Revenue	554,669	554,669	0
LESS: Expense for Purchased Water from FPSC-Regulated Utility	_____	_____	_____
Net Water Operating Revenues	\$554,669	\$554,669	\$0

Explanations:

Instructions:

For the current year, reconcile the gross water revenues reported on Schedule W-9 with the gross water revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).

**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations
Class A & B**

**Company: HC WATERWORKS, INC.
For the Year Ended December 31, 2018**

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. S-9	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate Revenues (521.1 - 521.6)	\$ _____	\$ _____	_____
Total Measured Revenues (522.1 - 522.5)	87,075	87,075	0
Revenues from Public Authorities (523)	_____	_____	_____
Revenues from Other Systems (524)	_____	_____	_____
Interdepartmental Revenues (525)	_____	_____	_____
Total Other Wastewater Revenues (530 - 536)	_____	_____	_____
Reclaimed Water Sales (540.1 - 544)	_____	_____	_____
Total Wastewater Operating Revenue	87,075	87,075	0
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	_____	_____	_____
Net Wastewater Operating Revenues	\$87,075	\$87,075	\$0

Explanations:

Instructions:

For the current year, reconcile the gross wastewater revenues reported on Schedule S-9 with the gross wastewater revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).