

ANNUAL REPORT

Of

Company Name: **MHC Operating Limited Partnership DBA The Sedona Venture Water Com**
2 N. Riverside Plaza, Ste 800

Mailing Address: 0
Chicago IL
60606

RECEIVED BY EMAIL
4/15/2026, 1:42 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Docket No.: **WS-03449A**
For the Year Ended: **12/31/25**

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: **Original Filing**
Application Date: **4/13/2026**

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
MHC Operating Limited Partnership DBA The Sedona Venture Water Company
A Class ☐ Utility

For the Calendar Year Ended: 12/31/25

Primary Address:

2 North Riverside Plaza, Suite 800			
City:	Chicago	State:	Illinois
Zip Code:	60606		

Telephone Number:

(312) 279-1400

Date of Original Organization of Utility:

5/23/1996

Person to whom correspondence should be addressed concerning this report:

Name:

Mike Smith

Telephone No. :

(773) 339-9739

Address:

2 North Riverside Plaza, Suite 800			
City:	Chicago	State:	Illinois
Zip Code:	60606		

Email:

mike_smith@equitylifestyle.com

On-Site Manager
Name:

Darla Barrett

Telephone No. :

(928) 282-1232

Address:

6770 W SR 89A #278			
City:	Sedona	State:	Arizona
Zip Code:	86336		

Email:

darla_barrett@equitylifestyle.com

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Name:

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Telephone No. :

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Address:

City:		State:	
Zip Code:			

Email:

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Name:

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Telephone No. :

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Address:

City:		State:	
Zip Code:			

Email:

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Name:

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Telephone No. :

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Address:

City:		State:	
Zip Code:			

Email:

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Ownership:

Partnership

Counties Served:

Yavapai

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
MHC Operating Limited Partnership DBA The Sedona Venture Water Company

Important changes during the year
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No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	N/A

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	N/A

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	\$203,886	\$0	\$0	\$203,886	\$156,208	\$47,678
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	0	0	0	0	0	0
354	Structures and Improvements	280,640	0	0	280,640	190,085	90,555
355	Power Generation Equipment	0	0	0	0	0	0
360	Collections Wastewater - Force	15,860	0	0	15,860	13,354	2,506
361	Collections Wastewater - Gravity	0	0	0	0	0	0
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	9,146	0	0	9,146	1,206	7,940
364	Flow Measuring Devices	3,541	0	0	3,541	1,705	1,836
365	Flow Measuring Installations	4,074	0	0	4,074	2,852	1,222
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	7,814	0	0	7,814	7,100	714
371	Pumping Equipment	39,744	0	0	39,744	17,804	21,940
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0
380	Treatment and Disposal Equipment	100,815	5,389	0	106,204	48,805	57,399
381	Plant Sewers	16,052	0	0	16,052	1,713	14,339
382	Outfall Sewer Lines	3,278	0	0	3,278	765	2,513
389	Other Plant and Misc. Equipment	0	0	0	0	0	0
390	Office Furniture and Equipment	0	0	0	0	0	0
390.1	Computer & Software	0	0	0	0	0	0
391	Transportation Equipment	0	0	0	0	0	0
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	0	0	0	0	0	0
394	Laboratory Equipment	3,923	0	0	3,923	3,923	0
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	0	0	0	0	0	0
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$688,773	\$5,389	\$0	\$694,162	\$445,520	\$248,642

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Depreciation Expense for the Current Year (Wastewater)
12/31/25

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$203,886	\$0	\$0	\$203,886	\$203,886	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	0	0	0	0	0	0.00%	0
354	Structures and Improvements	280,640	0	0	280,640	36,490	3.33%	8,130
355	Power Generation Equipment	0	0	0	0	0	0.00%	0
360	Collections Wastewater - Force	15,860	0	0	15,860	8,943	3.33%	230
361	Collections Wastewater - Gravity	0	0	0	0	0	0.00%	0
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	9,146	0	0	9,146	0	2.00%	183
364	Flow Measuring Devices	3,541	0	0	3,541	1,093	10.00%	245
365	Flow Measuring Installations	4,074	0	0	4,074	0	10.00%	407
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	7,814	0	0	7,814	6,554	3.33%	42
371	Pumping Equipment	39,744	0	0	39,744	0	12.50%	4,968
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0.00%	0
380	Treatment and Disposal Equipment	100,815	5,389	0	106,204	15,909	5.00%	4,380
381	Plant Sewers	16,052	0	0	16,052	0	3.33%	535
382	Outfall Sewer Lines	3,278	0	0	3,278	0	6.67%	219
389	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
390	Office Furniture and Equipment	0	0	0	0	0	0.00%	0
390.1	Computer & Software	0	0	0	0	0	0.00%	0
391	Transportation Equipment	0	0	0	0	0	0.00%	0
392	Stores Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
394	Laboratory Equipment	3,923	0	0	3,923	3,923	10.00%	0
395	Power Operated Equipment	0	0	0	0	0	0.00%	0
396	Communication Equipment	0	0	0	0	0	0.00%	0
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$688,773	\$5,389	\$0	\$694,162	\$276,798		\$19,339

Contribution(s) in Aid of Construction (Gross)

\$0

Less: Non Amortizable Contribution(s)

0

Fully Amortized Contribution(s)

0

Amortizable Contribution(s)

\$0

Times: Proposed Amortization Rate

4.63%

Amortization of CIAC

\$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE \$19,339

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Balance Sheet Assets
12/31/25

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current and Accrued Assets			
131	Cash		\$283,874	\$365,076
132	Special Deposits		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		438	173
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		0	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		354,015	284,792
	Total Current and Accrued Assets		\$638,327	\$650,041
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$688,773	\$694,162
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(426,182)	(445,520)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$262,591	\$248,642
	Total Assets		\$900,918	\$898,683

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note these items feed automatically from the adjusted end of year balance from AR4.

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current Liabilities			
231	Accounts Payable		\$3,790	\$3,154
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		2,619	2,792
236	Accrued Taxes		591	0
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		7,629	9,821
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$14,629	\$15,767
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
252	Advances in Aid of Construction		\$0	\$0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$14,629	\$15,767
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		0	0
218	Proprietary Capital (Sole Props and Partnerships)		886,289	882,916
	Total Capital		\$886,289	\$882,916
	Total Liabilities and Capital		\$900,918	\$898,683

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Wastewater Comparative Income Statement
12/31/25

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2025 - 12/31/2025	Last Year 01/01/2024 - 12/31/2024
	Operating Revenue		
521	Flat Rate Revenues	\$250,202	\$249,048
522	Measured Revenues	0	0
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	0	0
	Total Revenues	\$250,202	\$249,048
	Operating Expenses		
701	Salaries and Wages	\$0	\$0
704	Employee Pensions and Benefits	0	0
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	16,170	25,575
715	Purchased Power	7,045	7,341
716	Fuel for Power Production	0	0
718	Chemicals	7,010	4,273
720	Materials and Supplies	13,367	11,879
720.1	Repairs and Maintenance	724	1,575
720.2	Office Supplies and Expense	1,584	1,180
721	Office Expense	0	0
731	Contractual Services -Engineering	2,283	2,190
732	Contractual Services - Accounting	1,049	776
733	Contractual Services - Legal	8,721	0
734	Contractual Services - Management Fees	102,700	101,100
735	Contractual Services - Testing	7,420	4,736
736	Contractual Services - Other	3,658	3,426
740	Rents - Building	0	0
742	Rents - Equipment	0	0
750	Transportation Expenses	0	0
757	Insurance - General Liability	231	231
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	0	0
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	534	248
775	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	19,339	17,848
408	Taxes Other Than Income	0	0
408.11	Property Taxes	6,779	6,888
408.12	Payroll Taxes	0	0
409	Income Taxes	0	0
	Total Operating Expenses	\$198,614	\$189,266
	Operating Income / (Loss)	\$51,588	\$59,782
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	0	0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	\$51,588	\$59,782

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Full time equivalent employees
12/31/25

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	1.0	0.5	1.5
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	1.5	0.1	1.6
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	0.0	2.5	0.6	3.1

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/25

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amt. Issued	N/A	N/A	N/A	N/A
Amount Outstanding	N/A	N/A	N/A	N/A
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	N/A	N/A	N/A	N/A
Current Year Interest	N/A	N/A	N/A	N/A
Current Year Principal	N/A	N/A	N/A	N/A

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Wastewater Utility Plant Description

<u>Name of System:</u>	The Sedona Venture Water Company	
<u>Wastewater Inventory Number (if applicable):</u>	101755	
<u>Type of Treatment</u>	Other	
<u>Design Capacity of Plant (Gallons per day)</u>	100000	

LIFT STATION FACILITIES

[illegible]

FORCE MAINS

[illegible]

MANHOLES

MANHOLES	
Type	Quantity
Standard	55
Drop	3 1/2 to 5'

CLEANOUTS

CLEANOUTS	
	Quantity
	5

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Wastewater Utility Plant Description (Continued)

Wastewater Utility Plant Description (Continued)						
GRAVITY MAINS				SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)		Size (inches)	Material	Quantity
4	PVC	3,274		4	PVC	278
6	PVC	422		6	PVC	1
8	PVC	12,197				

For the following five items, list the utility owned assets in each category for each system.

SOLIDS PROCESSING AND HANDLING FACILITIES	Aerobic digester/sludge hauler
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Chlorinator
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Rapid sand/gravel filter
STRUCTURES (Buildings, Fences, Etc.)	12' x 28' filter building, 12' x 16' lab/office
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Various lab tools, stand-by generator

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Wastewater Flows
12/31/25

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	279	1,150,549	49,326	\$495	3,240
February	279	1,167,542	46,764	607	3,899
March	279	1,141,479	41,344	644	3,963
April	279	1,092,262	42,942	654	4,126
May	279	1,110,987	41,313	568	3,352
June	279	1,020,237	40,861	597	3,330
July	279	985,789	42,274	614	3,764
August	279	951,268	41,043	455	2,746
September	279	1,028,135	43,324	471	2,337
October	279	1,035,988	40,766	760	4,227
November	279	993,120	39,698	577	3,493
December	279	987,468	45,372	603	3,874
	Totals	12,664,824	515,027	\$7,045	42,350

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Surface Water Discharge
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit ("APP") Number	P101755
ADEQ Reuse Permit Number	N/A
EPA NPDES Permit Number	AZ-0021807
APP Effluent Treatment Requirement (Class)?	N/A
Permitted Flow Rate	75,000 GPD
Permitted Organic Capacity	N/A
Hydraulic Capacity	100,000 GPD
Type of Biological Treatment	Sequenced Batch Reactor (SBR)

In the space below, list all violations within the past 12 months:

N/A

Note: If you are filing for more than one system, please provide separate sheets for each system.

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/25

Utility Shutoffs / Disconnects	
Name of System:	The Sedona Venture Water Company
Wastewater Inventory Number (if applicable):	101755

Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2- 609.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

N/A

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Property Taxes
12/31/25

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2025 was
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\$6,834

If no property taxes paid, explain why.

N/A

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Verification and Certification (Taxes)
12/31/25

Verification and Certification (Taxes)

Verification: State of Arizona I, the undersigned of the
(state name)

County of (county name): Maricopa
Name (owner or official) title: Greg Nelson, Regional Vice President (Wastewater)
Company name: MHC Operating Limited Partnership DBA The Sedona Venture Water Company

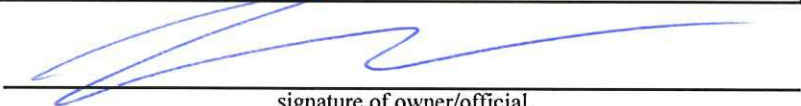
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/25

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

CERTIFICATION I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I CERTIFY THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


signature of owner/official

602-869-3132
telephone no.