

ANNUAL REPORT

Of

Company Name: **MHC Operating Limited Partnership DBA The Sedona Venture Water Company**
2 N. Riverside Plaza, Ste 800
0
Mailing Address: Chicago IL 60606
Docket No.: WS-03449A
For the Year Ended: 12/31/25

RECEIVED BY EMAIL
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER 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
WATER 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:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

On-Site Manager
Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Ownership:

Counties Served:

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

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
Annual Report
Utility Plant in Service (Water)
12/31/25

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$31,498	\$0	\$0	\$31,498	\$22,349	\$9,149
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	0	0	0	0	0	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	106,233	0	0	106,233	49,224	57,009
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	37,875	0	0	37,875	35,382	2,493
311	Pumping Equipment	31,651	1,213	0	32,864	25,403	7,461
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	125,111	0	0	125,111	39,190	85,921
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	188,289	0	0	188,289	40,180	148,109
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	158,526	2,784	0	161,310	30,782	130,528
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	144,457	0	0	144,457	34,374	110,083
335	Hydrants	60,725	0	0	60,725	17,513	43,212
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	1,587	0	0	1,587	397	1,190
348	Other Tangible Plant	57,743	0	0	57,743	47,168	10,575
	Totals	\$943,695	\$3,997	\$0	\$947,692	\$341,962	\$605,730

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

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$31,498	\$0	\$0	\$31,498	\$31,498	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0	0.00%	0
304	Structures and Improvements	0	0	0	0	0	0	0.00%	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	106,233	0	0	106,233	0	106,233	3.33%	3,538
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	37,875	0	0	37,875	35,180	2,695	5.00%	135
311	Pumping Equipment	31,651	1,213	0	32,864	14,828	18,036	12.50%	2,179
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	125,111	0	0	125,111	0	125,111	3.33%	4,166
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	188,289	0	0	188,289	0	188,289	2.22%	4,180
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	158,526	2,784	0	161,310	3,277	158,033	2.00%	3,133
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	144,457	0	0	144,457	3,999	140,458	8.33%	11,700
335	Hydrants	60,725	0	0	60,725	0	60,725	2.00%	1,215
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	1,587	0	0	1,587	0	1,587	10.00%	159
348	Other Tangible Plant	57,743	0	0	57,743	36,595	21,148	33.33%	7,049
	Subtotal	\$943,695	\$3,997	\$0	\$947,692	\$125,377	\$822,315		\$37,452

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	4.55%
Amortization of CIAC	\$0

Less: Amortization of CIAC **\$0**

DEPRECIATION EXPENSE **\$37,452**

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	\$365,077
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		438	173
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		354,015	284,791
	Total Current and Accrued Assets		\$638,327	\$650,041
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$943,695	\$947,692
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(304,511)	(341,962)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$639,184	\$605,730
	Total Assets		\$1,277,511	\$1,255,771

*Note these items feed automatically from AR3 UPIS Page 4

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	2,793
236	Accrued Taxes		591	733
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		7,629	9,820
	Total Current Liabilities		\$14,629	\$16,500
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
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	\$16,500
	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)		1,262,882	1,239,271
	Total Capital		\$1,262,882	\$1,239,271
	Total Liabilities and Capital		\$1,277,511	\$1,255,771

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
Water Comparative Income Statement
12/31/25

Water 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		
461	Metered Water Revenue	\$87,887	\$82,662
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	300	625
	Total Revenues	\$88,187	\$83,287
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	10,568	11,012
618	Chemicals	3,029	2,479
620	Materials and Supplies	1,678	945
620.1	Repairs and Maintenance	1,500	4,517
620.2	Office Supplies and Expense	1,584	1,190
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	1,049	776
633	Contractual Services - Legal	8,721	0
634	Contractual Services - Management Fees	20,400	20,400
635	Contractual Services - Water Testing	7,419	4,736
636	Contractual Services - Other	3,172	2,227
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	231	231
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	1,041	262
675	Miscellaneous Expense	4,840	2,826
403	Depreciation Expense (From Schedule AR4)	37,452	40,933
408	Taxes Other Than Income	0	0
408.11	Property Taxes	2,419	2,386
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$105,103	\$94,920
	Operating Income / (Loss)	(\$16,916)	(\$11,633)
	Other Income / (Expense)		
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)	(\$16,916)	(\$11,633)

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
Meter reader	0.0	0.0	0.0	0.0
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

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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<i>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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.</i>
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[illegible]

Name of system water delivered to:	
ADWR PCC Number:	N/A
Source of water delivered to another system	

Name of system water received from:	
ADWR PCC Number:	N/A
Source of water received	
Well registry 55# (55-XXXXXX):	

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	2,038,000.00	1,903,651.00	0.00	0.00	0.00	742	4,860
February	2,057,000.00	1,922,018.00	0.00	0.00	0.00	910	5,849
March	2,142,000.00	1,687,408.00	0.00	0.00	0.00	966	5,944
April	2,348,000.00	1,610,052.00	0.00	0.00	0.00	981	6,189
May	2,598,000.00	1,781,632.00	0.00	0.00	0.00	852	5,028
June	2,759,000.00	1,971,253.00	0.00	0.00	0.00	895	4,995
July	2,886,000.00	2,249,151.00	0.00	0.00	0.00	922	5,646
August	3,008,000.00	2,228,429.00	0.00	0.00	0.00	683	4,119
September	3,075,000.00	2,392,137.00	0.00	0.00	0.00	707	3,506
October	3,122,000.00	2,102,587.00	0.00	0.00	0.00	1,141	6,340
November	2,848,000.00	2,021,230.00	0.00	0.00	0.00	866	5,239
December	2,818,000.00	1,960,586.00	0.00	0.00	0.00	905	5,810
Totals	31,699,000.00	23,830,134.00	0.00	0.00	0.00	\$10,568	63,525

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
N/A

1	Water withdrawn - Total gallons of water withdrawn from pumped sources.
2	Water sold - Total gallons from customer meters, and other sales such as construction water.
3	Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
4	Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
5	Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
6	Enter the total purchased power costs for the power meters associated with this system.
7	Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description			
Name of the System:		SEDONA VENTURE WATER SYST	
ADEQ Public Water System Number:		AZ0413108	
ADWR PCC Number:		91-000660.0000	

[illegible][illegible]

SERVICE LINES		
Material	Percent of system	Year installed
Black poly	50%	1971
PVC	50%	1970

BOOSTER PUMPS		
Horsepower	GPM	Quantity
7.5	250+	3

FIRE HYDRANTS	
Type	Quantity
Standard *	26
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
100,000	Steel	1	1971
80,000	Steel	1	2017

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	Steel	1	1971

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	Chlorination equipment for disinfection (sodium hypochlorite), granular ferric oxide arsenic removal system.
STRUCTURES:	Housing for arsenic removal system
OTHER:	N/A

Customer and Other Information		
Name of the System:	SEDONA VENTURE WATER SYST	
ADEQ Public Water System Number:	AZ0413108	
ADWR PCC Number:	91-000660.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	272	1	3	2	1
February	272	1	3	2	1
March	282	1	3	2	1
April	282	1	3	2	1
May	282	1	3	2	1
June	282	1	3	2	1
July	282	1	3	2	1
August	282	1	3	2	1
September	282	1	3	2	1
October	282	1	3	2	1
November	282	1	3	2	1
December	282	1	3	2	1

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?

If yes, which AMA?

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

N/A

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

Utility Shutoffs / Disconnects	
Name of the System:	SEDONA VENTURE WATER SYST
ADEQ Public Water System Number:	AZ0413108
ADWR PCC Number:	91-000660.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.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 relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2025 was
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\$2,402

If no property taxes paid, explain why.

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.

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 (Water)
Company name: MHC Operating Limited Partnership DBA The Sedona Venture Water C

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) 869-3673
telephone no.