

ANNUAL REPORT

Of

Company Name: MHC Operating Limited Partnership DBA The Sedona Venture Water Company
c/o Equity Lifestyle Properties, Inc.
Mailing Address: 2 N. Riverside Plaza, Ste 800
Chicago IL
60606
Docket No.: WS-03449A
For the Year Ended: 12/31/17

RECEIVED
APR 16 2018
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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: 4/16/2018

4-18-18

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

1. For the Calendar Year Ended: 12/31/17

2. Address:

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

3. Telephone Number: 312.279.1400

4. Date of Original Organization of Utility: 5/23/1996

5. Person to whom correspondence should be addressed concerning this report:

Name: Linda Fairlanb, Director of Accounting
Telephone No. : 312.279.1400
Address: 2 N. Riverside Plaza, Suite 800
City: Chicago State: Illinois Zip Code: 60606
Email: linda_fairlamb@equitylifestyle.com

6. On-Site Manager:

Name: Darla Barrett
Telephone No. : 928.282.1232
Address: 6770 West US Highway 89-A
City: Sedona State: Arizona Zip Code: 86336
Email: linda_fairlamb@equitylifestyle.com

7. Ownership: Partnership

8. Counties Served: Yavapai

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OC LD (OC less AD)
301	Organization	0	0	0	\$0	0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	44,221	0	0	44,221	26,202	18,019
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	96,387	0	0	96,387	16,065	80,322
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	50,008	0	0	50,008	50,008	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	119,278	17,523	0	136,801	15,111	121,690
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	0	96,507	0	96,507	1,462	95,045
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	0	5,972	0	5,972	86	5,886
333	Services	99,094	0	0	99,094	6,013	93,081
334	Meters and Meter Installations	3,999	0	0	3,999	3,999	0
335	Hydrants	41,090	0	0	41,090	6,850	34,240
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	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$454,077	\$120,002	\$0	\$574,079	\$125,796	\$448,283

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 (Water)
12/31/17

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	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0.00%	0
304	Structures and Improvements	44,221	0	0	44,221	0	3.33%	1,365
305	Collecting & Improving Reservoirs	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	2.50%	0
307	Wells and Springs	96,387	0	0	96,387	0	3.33%	3,213
308	Infiltration Galleries	0	0	0	0	0	6.67%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	5.00%	0
311	Pumping Equipment	50,008	0	0	50,008	50,008	12.50%	0
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	119,278	17,523	0	136,801	0	3.33%	4,268
320.2	Solution Chemical Feeders	0	0	0	0	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	0	96,507	0	96,507	0	2.22%	1,462
330.2	Pressure Tanks	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	0	5,972	0	5,972	0	2.00%	86
333	Services	99,094	0	0	99,094	0	3.33%	2,831
334	Meters and Meter Installations	3,999	0	0	3,999	3,999	8.33%	0
335	Hydrants	41,090	0	0	41,090	0	2.00%	1,370
336	Backflow Prevention Devices	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	6.67%	0
340	Office Furniture and Equipment	0	0	0	0	0	6.67%	0
340.1	Computer & Software	0	0	0	0	0	20.00%	0
341	Transportation Equipment	0	0	0	0	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	5.00%	0
344	Laboratory Equipment	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	0	0	0	0	0	5.00%	0
346	Communication Equipment	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$454,077	\$120,002	\$0	\$574,079	\$54,007		\$14,595

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 0.00%
Amortization of CIAC \$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		\$164,891	\$122,969
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		729	472
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		749,170	425,333
	Total Current and Accrued Assets		\$914,790	\$548,774
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$454,077	\$574,079
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(111,202)	(125,796)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$342,875	\$448,283
	Total Assets		\$1,257,665	\$997,057

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 these items feed automatically from AR3 UPIS Page 3

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 (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable		(\$4,167)	\$8
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		1,756	1,588
236	Accrued Taxes		445	246
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		8,756	11,245
	Total Current Liabilities		\$6,790	\$13,087
	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		\$6,790	\$13,087
	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)		1,250,874	983,970
	Total Capital		\$1,250,874	\$983,970
	Total Liabilities and Capital		\$1,257,664	\$997,057

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: 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
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
461	Metered Water Revenue	\$80,184	\$85,839
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	0	0
	Total Revenues	\$80,184	\$85,839
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	8,893	0
618	Chemicals	0	0
620	Materials and Supplies	900	283
620.1	Repairs and Maintenance	0	0
620.2	Office Supplies and Expense	0	0
630	Contractual Services	0	275
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	10,386	8,448
636	Contractual Services - Other	0	0
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	0	0
675	Miscellaneous Expense	8,131	15,119
403	Depreciation Expense (From Schedule AR4)	14,595	11,730
408	Taxes Other Than Income	0	0
408.11	Property Taxes	3,397	3,670
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$46,532	\$39,756
	Operating Income / (Loss)	\$33,652	\$46,083
	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)	\$33,652	\$46,083

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.

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.

Water Use Data Sheet							
Name of the System:		Sedona Venture Water					
ADEQ Public Water System Number:		13-108					
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴	Purchased Power Expense ⁵	Purchased Power (kWh) ⁶
January	279	1397	1728	0	0	\$665	5,136
February	279	1164	1610	0	0	661	4,920
March	279	1333	2181	0	0	713	5,712
April	279	1325	2216	0	0	685	4,800
May	279	1728	2478	0	0	688	4,752
June	279	1773	2906	0	0	777	5,448
July	279	2078	2449	0	0	826	5,424
August	279	2707	2317	0	0	761	5,376
September	279	1729	2462	0	0	748	5,160
October	279	2028	2212	0	0	809	4,944
November	279	1811	1930	0	0	809	5,640
December	279	1960	1819	0	0	749	5,184
Totals		21,033	26,308	0	0	\$8,893	62,496

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

Does the system have chlorination treatment?

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

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

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.

- 1 Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.
- 2 Gallons pumped - Total gallons from pumped sources.
- 3 Gallons purchased - Total gallons purchased from other sources.
- 4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

MHC Operating Limited Partnership DBA The Sedona Venture Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	13-108
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Utility Shutoffs / Disconnects			
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 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
12/31/17

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2017 was	\$3,397
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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.

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: Ronald C Bunce, Sr Vice President
Company name: MHC Operating Limited Partnership DBA The Sedona Venture Water Co

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

FOR THE YEAR ENDING: 12/31/17

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.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

Ronald C Bunce
signature of owner/official

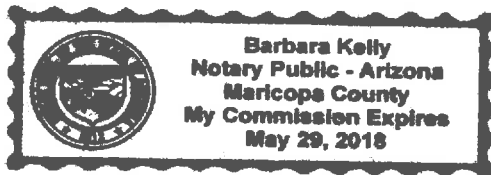
312.279.1400
telephone no.

RECEIVED
APR 19 2018
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION - DEEDS & RECORDS OFFICE

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS 18th DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 5/29/18
(date)



Barbara Kelly
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Maricopa
Name (owner or official) title: Ronald C Bunce, Sr Vice President
Company name: MHC Operating Limited Partnership DBA The Sedona Venture Wat

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

FOR THE YEAR ENDING: 12/31/17

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.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$80,184
(The amount in the box above includes
\$9,934 in sales taxes
billed or collected)

RECEIVED
APR 19 2018
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION - DISTRICT 1'S OFFICE

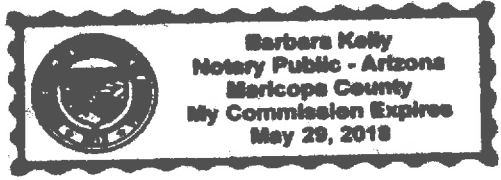
Ronald C Bunce
signature of owner/official

312.279.1400
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS 18th DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 5/29/18
(date)



Barbara Kelly
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Ronald C Bunce, Sr Vice President
Company name: MHC Operating Limited Partnership DBA The Sedona Venture

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

FOR THE YEAR ENDING: 12/31/17

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.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$80,184

(The amount in the box above includes

\$9,934 in sales taxes
billed or collected)

RECEIVED

APR 19 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Ronald C Bunce
signature of owner/official

312.279.1400
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Maricopa
(county name)

THIS

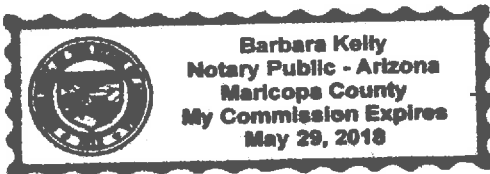
19th

DAY OF

April 2018
(month) and (year)

MY COMMISSION EXPIRES

5/29/18
(date)



Barbara Kelly
(signature of notary public)