4

Received	
Examined	CLASS D
	WATER UTILITIES
U#	
	0000
	2000
<i>إ</i>	ANNUAL REPORT
	OF
	01
MUC A · · · ·	0 1 1 0
	on One L.L. C. ON, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)
Two North Riv	erside Plaza
Chicago, IL 6	0606

(OFFICIAL MAILING ADDRESS)

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2000

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2001 (FILE TWO COPIES IF THREE RECEIVED)

INSTRUCTIONS

FOR PREPARATION OF

SELECTED FINANCIAL DATA SHEET

FOR CLASS A, B, C AND D, WATER UTILITIES

To prepare the attached data sheets, refer to the Balance Sheet, Income Statement and supporting detail schedules in the annual report for the required data.

Please follow the instruction below:

- 1 Common plant allocated to water should be indicated with water plant figures in Net Plant Investment.
- The capitalization section for those reporting on both <u>California Only</u> and <u>Total System Forms</u> should be identical and completed with <u>Total Company Data</u>. Be sure that Advances for Construction include California water data only.
- Complete the operation section with Calfiornia water revenues and expenses, but if necessary, remove interdepartmental revenues and expenses.
- 4 All other utility and nonutility revenues and expenses are netted on Line No. 38.

CLASS B, C AND D WATER COMPANIES SAFE DRINKING WATER BOND ACT DATA

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) loan outstanding during the 12 month reporting period. (Use one sheet for each loan.)

1.	Current Fiscal Agent: N/A	
	Name:	
	Phone Number:	
	Date Hired:	
2.	Former Fiscal Agent:	
	Name:	
	Address:	
	Phone Number:	
	Date Hired:	
3.	Total surcharge collected from customers during	
	\$	
4.	Summary of the trust bank account activities sho	owing:
	Balance at beginning of year	\$
	Deposits during the year	
	Withdrawals made for loan payments	
	Other withdrawals from this account	
	Balance at end of year	
5.	Account information:	
	Bank Name:	
	Account Number:	
	Date Opened:	

6. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA funds:

			Γ = '.				-
1 1			Balance	Plant	Plant		
			Beginning	Additions	Retirements	Other Debits*	Balance
Line	Acct.	Title of Account	of Year	During Year	During Year	or (Credits)	End of Year
No.	No.	(a)	(b)	(c)	(d)	(e)	(f) ·
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant	-				-
3	303	Land	-		- '		-
4		Total non-depreciable plant	_	-	_	-	-
5		DEPRECIABLE PLANT	·				
6	304	Structures	_				-
7	307	Wells	_				-
8	317	Other water source plant	_		-		-
9	311	Pumping equipment	_				-
10	320	Water treatment plant	-				-
11	330	Reservoirs, tanks and sandpipes		_			-
12	331	Water mains	-				-
13	333	Services and meter installations	-	· -			-
14	334	Meters	-				-
15	335	Hydrants	-				-
16	339	Other equipment	_				-
17	340	Office furniture and equipment	-				-
18	341	Transportation equipment	-				-
19		Total depreciable plant	-	-	-	-	-
20		Total water plant in service	-	-	-	-	-

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES 2000

NAME OF UTILITY MHC Acquisition One, L.L.C	C PHONE <u>312-279-14</u> 18
PERSON RESPONSIBLE FOR THIS REPORT	Anne Bucher
(Prepared from Information	in the 2000 Annual Report)

		414100	4.0.0.4.0.0	_
	BALANCE SHEET DATA	1/1/00	12/31/00	Average
1	Intangible Plant	10,000	10,000	10,000
2	Land and Land Rights	-		
3	Depreciable Plant	159,556	159,556	159,556
4	Gross Plant in Service	169,556	169,556	169,556
5	Less: Accumulated Depreciation	(76, 151)	(80,026)	(78,089)
6	Net Water Plant in Service	93,405	89,530	91,467
7	Water Plant Held for Future Use	-		
8	Construction Work in Progress	•	-	
9	Materials and Supplies	-		
10	Less: Advances for Construction	-		
11	Less: Contribution in Aid of Construction			
12	Less: Accumulated Deferred Income and Investment Tax Credits			
13	Net Plant Investment	93,405	89,530	91,467
(CAPITALIZATION			
14	Common Stock	_	_	_
15	Proprietary Capital (Individual or Partnership)	170,959	178,774	174,867
16	Paid-in Capital			
17	Retained Earnings			
18	Common Stock and Equity (Lines 14 through 17)	170,959	178,774	174,867
19	Preferred Stock			
20	Long-Term Debt			
21	Notes Payable			
22	Total Capitalization (Lines 18 through 21)	170,959	178,774	174,867

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES 2000

NAME OF UTILITY MHC Acquisition One, L.L.C. PHONE 312-279-1418

				Annual
11	NCOME STATEMENT			Amount
23	Unmetered Water Revenue			-
24	Fire Protection Revenue			-
25	irrigation Revenue			_
26	Metered Water Revenue			47,754
27	Total Operating Revenue			47,754
28	Operating Expenses			374,927
29	Depreciation Expense (Composite Rate _1.42%_)			3,875
30	Amortization and Property Losses			-
31	Property Taxes			987
32	Taxes Other Than Income Taxes			-
33	Total Operating Revenue Deduction Before Taxes			379,789
34	California Corp. Franchise Tax			400
35	Federal Corporate Income Tax			
36	Total Operating Revenue Deduction After Taxes			380,189
37	Net Operating Income (Loss) - California Water Operations			(332,435)
38	Other Operating and Nonoper. Income and Exp Net (Exclude Interest	Expense)		2,640
39	Income Available for Fixed Charges			(329,795)
40	Interest Expense			-
41	Net Income (Loss) Before Dividends			(329,795)
42	Preferred Stock Dividends			
43	Net Income (Loss) Available for Common Stock			(329,795)
c	THER DATA			
44	Refunds of Advances for Construction			
45	Total Payroll Charged to Operating Expenses			
46	Purchased Water			24 660
47	Power			34,660
* *	1 01107			
				Annual
	Active Service Connections (Exc. Fire Protect.)	Jan. 1	Dec. 31	Average
48	Metered Service Connections	202	202	202
49	Flat Rate Service Connections			
50	Total Active Service Connections	202	202	202

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

	MHC Acquisition One, L.L.C.			
	(Name under which corporation, partnership or individual is doing business)		
	Two North Riverside Plaza, Suite 800		_	
	(Official mailing address)	• 1		
-	Santa Cruz, Santa Cruz County			
	(Service area-town and county)			
•	GENERAL INFORMATION			
RE	TURN ORIGINAL			
	COMMISSION			
IVC	O PHOTOCOPIES			
1	If a corporation show:			
	(A) Date of organization August 19, 1996 incorporated in the State of Delaware (B) Names, titles and addresses of principal officers:		•	
	Samuel Zell-Chairman, Howard Walker-President/CEO, Thomas P. Heneghan JrExecutive V.P./	Treasur	er,	
	Ellen Kelleher-Executive V.P./Assistant Secretary, Peter Underhill-Regional V.P., David Fell-V.P./S	Secreta	ry,	
	Marguerite Nader-V.P., Jennifer Usher-Assistant Secretary All addresses same as above			
2	If unincorporated give the name and address of owner or of each partner:			
3	Name and telephone number of:			
J	(A) One person listed above to receive correspondence: Marguerite Nader 312-279-148	36		
	(B) Person responsible for operations and services: Herb Bedlion 831-423-8660			
4	Were any contracts or agreements in effect with any organization or person covering service, supe	ervision	and/or	
	management of your business affairs during the year? (Yes or No) Yes		andio	
	If so, what was the nature and the amount of each payment made under the agreement, to whom	were		
	payments made, and to what account was each payment charged? 682 Professional Services \$332,482			
5	State the names of associated companies or persons which, directly or indirectly, or through one of	r more		
	intermediaries, control, or are controlled by, or are under common control with respondent: MHC Acquisition QRS, Inc.; MHC Operating Limited Partnership			
	with Acquisition QNO, Inc., with Operating climited Partnership	<u> </u>		
	PUBLIC HEALTH STATUS	Yes	No	Latest Date
				_
6	Has state or local health department inspection been made during the year?		х	
7	Are routine laboratory tests of water being made?		Х	
8	Has state health department water supply permit been obtained? (Indicate date)		х	
9	If no permit has been obtained, state whether application has been made and when.		х	
10	Show expiration date if state permit is temporary.			
	Water supply is provided by Santa Cruz Municipal Utilities which is presumed to comply	<u></u>	1	<u> </u>
	with all applicable local and state health department requirements		Page	1 of 5

SPECIAL INSTRUCTIONS

- 1 Beginning of year balances must agree with end of year balances shown in report for previous year.

 Attach a supplementary statement to explain any differences.
- 2 Attach a supplementary statement to explain adjustments in Schedule B Water Plant in Service.
- 3 Complete all schedules, using the words "None" or "Not applicable" if appropriate.
- 4 Report must be prepared legibly in ink or by typewriter.

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2000)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	169,556	201	Common Stock (Corporations only)	-
2	103	Water plant held for future use	-	211	Other paid-in capital (Corporations only)	-
3	104	Water plant purchased or sold	-	215	Retained earnings	-
_4	105	105 Water plant construction work in progress - 218 Proprietary capital		Proprietary capital	178,774	
5	108	108 Accumulated depreciation of water plant (80,026) 224 Long term debt		Long term debt	-	
6	114	Water plant acquisition adjustments	-		Current Liabilities	11,192
7	124	Other investments	-	252	Advances for construction	-
8	131	Cash	9,191	253	Other deferred credits	-
9	141	Accounts receivable - customers	(202)	255	Accumulated deferred investment tax credits	-
10	142	Receivables from associated companies	-	282	Accumulated deferred income taxes - Acrs	-
11	151	Materials and supplies	-		depreciation	-
12	174	Other current assets	1,558	283	Accumulated deferred income taxes - other	-
13	180	Deferred charges	89,889	271	Contributions in aid of construction	-
14				272	Accumulated amortization of contributions	
15		Total Assets	189,966		Total Equity and Liabilities	189,966

SCHEDULE B - WATER PLANT IN SERVICE

			Balance	Plt Additions	Plt Retirements	Other Debits	Balance
Line	Acct	Title of Account	Beg of Year	During year	During year	or (Credits)	End of year
16	301	Intangible plant	10,000			· · ·	10,000
17	303	Land	-	Ì			-
18	304	Structures	-		<u> </u>		_
19	307	Wells	-				_
20	317	Other water source plant	-				-
21	311	Pumping equipment	-	_	1		<u> </u>
22	320	Water treatment plant	-			<u>-</u> .	- -
23	330	Reservoirs tanks and sandpipes	-		 		-
24	331	Water mains	97,400				97,400
25	333	Services and meter installations	23,562		,		23,562
26	334	Meters	24,661		<u> </u>		24,661
27		Hydrants	3,696		 	-	3,696
28	339	Other equipment	10,237			_	10,237
29	340	Office furniture and equipment	-	<u> </u>	1	··· <u>·</u>	
30	341	Transportation equipment	-				 -
31		Total water plant in service	169,556	-	-	-	169,556

^{*} Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

		Account 106	Account 106.1	
Line	ltem	Water Plant	SDWBA Loans	
	Balance in reserves at beginning of year	76,151		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	3,875		
35	(b) Charged to Account No. 272	-		
36	(c) Charged to clearing accounts	*	_	B. Amount of depreciation expense claimed
37	(d) Salvage recovered	-		or to be claimed on utility property in
38	(e) All other credits	-		your federal income tax return for the year
39	Total credits	3,875		covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired	•	_	
42	(b) Cost of removal	-		C. State method used to compute tax
43	(c) All other debits	-		depreciation.
44	Total debits	-		
45	Balance in reserve at end of year	80,026	<u> </u>	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits		·-	

Line . SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2000)

1	Common - (Shares	, \$	par) n/a	List persons owning more than 5% of outstanding stock
2	Preferred - (Shares	, \$	par) n/a	and number of shares owned by each:
3	Dividends - Common	Rate - \$	n/a	
4	- Preferred	Rate - \$	n/a	

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of	Interest Accrued During Year	Interest Paid During Year
5		10000	- Waterity	7 danonzea	Oneet	interest	Duling real	Dulling Year
6	n/a				-	 " "		
7			T			1		-
8	Totals					† " - " -		

SCHEDULE F - INCOME STATEMENT

SCHEDULE F - INCOME STATEMENT							
9		Operating revenues	XXXXXXXX				
10		Unmetered water revenue	-				
11		Fire protection revenue	-				
12	465	Irrigation revenue					
13		Metered water revenue	47,754				
14	480	Other water revenue	-				
15		Total Operating Revenue	47,754				
16		Operating revenue deductions	XXXXXXX				
17		Operating expenses	XXXXXXXX				
18		Purchased water	34,660				
19		Power	-				
20	618	Other volume related expenses	-				
21		Employee labor	-				
22		Materials	-				
23		Contract work	2,304				
24		Transportation expenses	_				
25	664	Other plant maintenance expense	-				
26		Office salaries	-				
27		Management salaries					
28		Employee pensions and benefits	-				
29	676	Uncollectible accounts expense	-				
30		Office services and rentals	-				
31		Office supplies and expense	10				
32		Professional services	332,482				
-	_	Insurance	99				
		Regulatory commission expense	145				
35	689	General expenses	5,227				
36		Total Operating Expenses	374,927				
37		Depreciation expense	3,875				
38		SDWBA loan amortization expense	-				
39		Taxes other than income taxes	987				
40	409	State corporate income tax expense	400				
41		Federal corporate income tax expense	-				
42		Total Operating Revenue Deductions	380,189				
43		Utility Operating Income	(332,435)				
44	421	Non-utility income	2,640				
45		Miscellaneous non-utility expense					
46	427	Interest expense	-				
47		Net income	(329,795)				
SCHEDULE I - EMPLOYEE							

SCHEDULE G -SOURCES OF SUPPLY AND WATER DEVELOPED WELLS

			Depth to	Pumping	Annual					
Location	No.	Diam.	water	capacity	quantities					
		Inch	feet	(g.p.m.)	_pumped					
	_									
			_							
					-					
			-							
		**								
<u> </u>		OTUE		<u></u>						

OTHER

		~					
Streams or springs	F	low in	(Ų	Init)	Annual quantities diverted		
location of	Prio	rity right	Dive	rsions			
diversion point							
	Claim	Capacity	Max	Min	(Unit)		
-		_					
Purchased water (unit	12,7	07 ccf			<u> </u>		
Supplier: Santa Cru	Annu	nual quantity					
			İ				
		-			<u> </u>		

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

		, uracj
Max. mo.	Min. mo.	
Mo. of	Mo. of	Total for year
1		
	<u> </u>	10.
n/a		
	1	
<u> </u>		
		·
	Max. mo. Mo. of	

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

				Number at	Salaries Charged	Salaries Charged	Total Salaries
	Acct	Account		end of year		to Plant Accounts	
48	630	Employee Labor					
49	670	Office salaries	n/a	-			
50	671	Management salaries					
51		Total		- 		· · · · · · · · · · · · · · · · · · ·	

		DVANCES F	OR CON	STRUCTION				SCHEDULI	E K - T	OTAL ME	ETERS
Balance beginning	of year						AN	D SERVIC	ES (ac	tive and	inactive)
Additions during ye				- · · · · · · · · · · · · · · · · · · ·				Size		Meters	Services
Subtotal - Beginni	ng balance plu	s additions duri	ng year	n/a			3/4 x 3/4				
Refunds					,		3/4-in			202	202
Transfers to Acct. 2	71 - Contribut	ions in Aid of Co	nstruction	· ·			1-in			2.02	
Balance end of year				-			-in				
· · · · · · · · · · · · · · · · · · ·						1	-in				
							Total			202	202
							<u> </u>	ULE L - M	ETER-		
								of meters			
								Used, be			
								Used, af			 -
								Fast, req			
								s of meters			ising toot
								eral Order			inny test
							per Ger	ierai Order	NO. II) <u>3</u>	
		SCHEDULE	M - SEF	RVICE CONNECT	IONS A	AT END	OF YE	EAR			
	<u> </u>	ļ	Activ				Inactive			Total	connections
Classific	ation	Metered	Flat	Total	Metered		Flat	Tota	al	Metered	Flat
Residences		202		202	-		-			202	-
								1			· - ·
Industrial		-	-		-		_	-		-	
Other (specify)		-	-	-	-		-	 		-	-
							i			<u> </u>	
Subtotal		202	-	202	-		-	 		202	
Fire protection (Hyd	drants)	-					-	 			
Total		202		202	 -		-	+		202	<u>-</u>
				LVZ			-	+		202	
NOTE: Total connection	s (metered plus fla	at) should agree with	total services	in Schedule V	!		L	<u> </u>		<u> </u>	·
		,	10101 001 000	The Desired Line						_	 -
SCHEDL	ILE N - STOR	AGE FACILITIE	9	SCHEDULE	O - FOC	TAGES	UE DIDI	E /EYCLUE	NNC S	EDVICE	DIDES)
		Combined		CONEDULE		2 1/4 to		6"	/IIVG S	PERVICE	FIFES)
Description	No.	in galle		Description	under	3 1/4	4"	-	- /c	ار کانم	Tatala
Concrete	140.	ya	7113	Cast Iron	unuer	3 1/4	+	Other size	s (spe	City)	Totals
Earth	n/a			Welded steel			-				·
Wood	100	-			<u> </u>	<u> </u>					
Steel				Standard screw	 	 _	<u> </u>				
				Cement-asbestos							
Other				Plastic		<u> </u>					
· · · · · · · · · · · · · · · · · · ·				Other (specify)	4,858	50	-	4,943			9,851
	_		_				<u></u>				
											
Total				Total	4,858	50		4,943			9,851
				DECLARATION	NC						
-	(BEFORE	SIGNING PLEA	SE CHEC	TO SEE THAT ALL		MILES H	AVE DE	EN COUP	I CTE-	7/	
	1021 0112	0.01111110 F LEA	OF OHEO	COULT HIAT ALL	. JOHEL	OLLS I	AVEDE	LIY COMP	LC 1 C L	<i>-</i>	
I, the undersign	ied (officer, pa	irtner or owner)	ofMH	C Acquisition One, L	.L.C			(Name	of utili	ty),	
under penalty of	of perjury do de	eclare that this r	eport has t	een prepared by me	, or unde	r my dire	ection, fr	om the boo	ks, pa _l	pers	
and records of	the responder	it; that I have ca	refully exar	mined the same, and	declare	the same	e to be a	complete a	and co	rrect	
statement of th	e business an	d affairs of the a	bove-name	ed respondent and th	e operati	ions of its	s properi	y for the ne	eriod		
				,	F		P	,			
From and inclu	ding Januar	y 1, :	2000 to a	nd including Dec	ember 3	1		, 2000			
		,			ر الم	`	$\overline{}$	_, 2000			
					n a	-///	. (A				
				<u> </u>	/_~	100	<u>~ ` ` ` ` ` ` ` ` ` ` ` ` ` ` ` ` ` ` `</u>				
				Signed	4	PRESI	AC 44	7			
					. E. /	V52/	UZN	<u> </u>			
				Title	1.	/					
				3	<u> [29/</u>	01					
				Date /							