

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT

OCT 07 2026

BY 
SAMANTHA NEUBAUER, DEPUTY

**Ruling on Submitted Matter re: Petitioner California Public Utilities Commission's
Motion to Appoint Receiver and Injunctive Orders**

California Public Utilities Commission. v. Havasu Water Company, et al.

CIVSB2625211

The above-entitled motion came on for hearing on October 2, 2026 on the motion of Petitioner, California Public Utilities Commission (hereafter "CPUC") for confirmation of receiver Scott Sackett, who was appointed on an *ex parte* basis on September 4, 2026, and for temporary injunctive orders against Respondents Havasu Water Company (hereafter "HWC"), its president and sole owner, Jennifer Hodges (hereafter "Hodges") and Hodges' other entity, the JH Family Limited Partnership (hereafter "JHFLP"). After considering the moving and opposing papers, the arguments of the parties and granting both sides' requests for judicial notice, CPUC's motion is **granted**. The Court finds and orders as follows:

1. California Public Utilities Code §1826 allows CPUC to seek a court appointed receiver "[w]hensoever the commission determines, after notice and hearing, that any water or sewer system corporation is unable or unwilling to adequately serve its ratepayers, has been actually or effectively abandoned by its owners, or is unresponsive to the rules or orders of the commission."
2. There is no dispute that the Commission had the hearing and issued Decision 26-06-010, in which it found, due to ongoing water quality issues, and lack of responsiveness to the federal Environmental Protection Agency (EPA) and CPUC's orders to remedy water quality, safety and equipment issues, that HWC was unwilling or unable to adequately serve its customers. CPUC determined that it has jurisdiction to regulate HWC, and has been for years (though it agrees that the EPA provides oversight of water quality under the Safe Drinking Water Act).
3. Though there is a dispute over CPUC's findings about jurisdiction, HWC's services and the need for a receiver, there is no dispute that HWC did not request a rehearing of CPUC's decisions under Public Utilities Code §1731, or writ review to the Court of Appeal or California Supreme Court pursuant to Public Utilities Code §1756 to challenge CPUC's findings. Thus, those findings remain effective. This Court does not have jurisdiction to review them.

4. These issues have been compounded by the recent failure of HWC to follow CPUC rules regarding the proper transfer of HWC real estate to Respondent Jennifer Hodges and the JH Limited Family Partnership (JHLFP), and the impending ejectment of HWC from the property it sits on in the Chemehuevi Indian Reservation due to a federal court determination that they are trespassing. The Respondents have appealed HWC's ejectment to the 9th Circuit Court of Appeals, which has declined to stay the result pending appeal.
5. Respondents' position that the EPA has taken over all regulation of the water company is not persuasive. The Safe Drinking Water Act does not diminish the State's ability to adopt or enforce laws or regulations for drinking water, or for regulating public drinking water systems. 42 USC §300g-3(e). The fact that the EPA will enforce the rules of drinking water quality is not the same as it regulating any other aspect of the business, such as rates, the level of pressure, meters, fire hydrants, flow and other aspects of the business' service to the community.
6. At this stage the appointment of a receiver is appropriate to move the process forward to address the various problems facing the water company, to improve service to the community and to ensure that customers have water after the recent federal court ruling.
7. The Court confirms the appointment of Mr. Scott Sackett as receiver, finding him qualified as receiver for this business based upon his curriculum vitae.
8. The Court finds that the requested injunctions against Respondents HWC, Jennifer Hodges and JHFLP are reasonable and necessary to ensuring the receiver can carry out his duties. The Court finds that the CPUC will likely prevail on the merits of this case, and the health and safety risk to HWC customers of poor water quality and lack of water outweigh the harm to Respondents by issuing the injunction.
9. Respondents' requests for sanctions under Code of Civil Procedure sections 128.5 and 128.7 are denied. They do not prevail here, nor did they comply with the safe harbor provisions.
10. The case is set for hearing on October 16, 2026 at 8:30 a.m. for Status Conference

The Court reviewed the Proposed Order lodged by CPUC along with this motion. CPUC is to provide the Court with an order setting forth the Court's findings as stated herein, as well as the terms of the receivership and the injunctive relief as previously proposed. CPUC to give notice of the Order.