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[Exempt from filing fees per Gov. Code § 6103]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

CALIFORNIA PUBLIC UTILITIES
COMMISSION,

Petitioner,

v.

HAVASU WATER COMPANY, also known
as Havasu Water Company, Inc., a California
corporation (U-352-W); JENNIFER L.
HODGES, an individual; and JH FAMILY
LIMITED PARTNERSHIP, a California
limited partnership.

Respondents.

Case No. CIVSB2625211

**[PROPOSED] ORDER CONFIRMING
APPOINTMENT OF RECEIVER AND
PRELIMINARY INJUNCTION**

Hearing Date: September 21, 2026

Time: 8:30 a.m.

Dept.: S25

Judge: Hon. Khymberli S. Apaloo

Action filed: August 27, 2026

1 On September 4, 2026, the Court entered an Order Appointing Receiver, Temporary
2 Restraining Order, and Order to Show Cause Regarding Confirmation of Receiver and
3 Preliminary Injunction (the “September 4 Order”). The September 4 Order appointed Scott M.
4 Sackett as temporary receiver for Havasu Water Company and its water system, restrained
5 Respondents from transferring or interfering with the receivership property, ordered
6 Respondents to turn over operational control of the water system to the Receiver immediately,
7 and ordered Respondents to show cause why Mr. Sackett should not be confirmed as Receiver
8 and remain appointed, and why a preliminary injunction should not issue continuing the
9 restraints in the September 4 Order.

10 The Order to Show Cause came on for hearing on September 21, 2026, in Department S-
11 25 of this Court, the Honorable Khymberli S. Apaloo presiding. Appearances included Candace
12 J. Morey and Kimiko I. Elguea for Petitioner California Public Utilities Commission; and Ravi
13 Bendapudi for Respondents Havasu Water Company, Jennifer L. Hodges, and JH Family
14 Limited Partnership.

15 The Court considered the Petition; the Ex Parte Application and its supporting
16 memorandum, declarations, and request for judicial notice; Respondents’ Challenge and
17 Opposition to the Ex Parte Application; the Commission’s Reply and supporting declarations;
18 the papers and reports filed by the Receiver; and the arguments of counsel.

19 Having considered the record and good cause appearing, the Court FINDS and ORDERS
20 as follows:

21 **FINDINGS**

22 A. Respondents received notice of the September 4 Order and of the Order to Show
23 Cause, and had a full opportunity to be heard.

24 B. This Court has jurisdiction over the parties and the subject matter of this action.
25 Havasu Water Company is a water corporation and public utility subject to the jurisdiction of
26 the California Public Utilities Commission (Pub. Util. Code, §§ 216, 241, 2701), and the
27 Commission authorized this action in Decision 26-06-010. The Commission is authorized to
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1 seek, and this Court is authorized to appoint, a receiver under Public Utilities Code section 1826
2 and Code of Civil Procedure section 564. Respondents' objection that the Commission and this
3 Court lack jurisdiction is OVERRULED.

4 C. The Commission has shown that Havasu Water Company is unable or unwilling
5 to provide adequate and safe water service, that its property and revenues are at risk of
6 dissipation, and that a receivership is necessary to preserve the water system and continued
7 water service to its customers. The Commission has also shown a likelihood of prevailing on the
8 merits and that the balance of interim harms favors continuing the restraints of the September 4
9 Order.

10 D. Scott M. Sackett is qualified to serve as Receiver. Before entering upon his duties
11 he took the oath required of receivers and filed the undertaking, if any, required by the Court.
12 He has administered the receivership property under the September 4 Order since his
13 appointment.

14 E. Respondents, through counsel, have stated that they do not recognize the
15 September 4 Order and have threatened to resist the Receiver's access by force. (Sackett Decl.,
16 Ex A.) An injunction against threats and interference is necessary to protect the Receiver, the
17 Receivership Property, and continued water service.

18 **CONFIRMATION OF RECEIVER**

19 1. The appointment of Scott M. Sackett as receiver (the "Receiver") for Havasu
20 Water Company ("Havasu") and its water system is CONFIRMED. The Receiver remains
21 appointed, and this Order remains in effect, until the Court terminates the receivership and
22 discharges the Receiver by further order.

23 2. The Receiver is appointed under Public Utilities Code section 1826 and Code of
24 Civil Procedure section 564 to assume possession and control of Havasu's property and to
25 operate, maintain, and rehabilitate Havasu's water system upon the terms of this Order.

26 3. For purposes of this Order, "Property" or "Receivership Property" means all real
27 and personal property, facilities, equipment, fixtures, infrastructure, bank accounts, revenues,
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1 books and records, electronically stored information, credentials and passwords, permits,
2 contracts, rights, and other property used or useful in providing water service through Havasu's
3 system, wherever located, including three parcels (Assessor Parcel Numbers (APNs) 0649-212-
4 19, 0649-281-28, and 0649-211-10) that Havasu conveyed to the JH Family Limited Partnership
5 ("JH Partnership") or any other property Ms. Hodges may have transferred from the utility
6 without the Commission's approval.

7 4. The Receiver's undertaking under Code of Civil Procedure section 567 is waived
8 / is fixed in the amount of \$ _____.

9 5. No undertaking is required of the Commission. (Gov. Code, § 995.220; Code
10 Civ. Proc., §§ 529, subd. (b), 566, subd. (b).)

11 **RECEIVER'S POWERS AND DUTIES**

12 6. The Receiver shall have, and shall continue to have, possession, custody, and
13 control of the Receivership Property, and shall operate Havasu's water system for the purpose of
14 preserving continued water service, protecting the system and its assets, and complying with
15 applicable law and Commission requirements.

16 7. The Receiver may enter upon and access APNs 0649-212-19, 0649-281-28, and
17 0649-211-10, and may access, assess, inspect, use, operate, maintain, repair, preserve, study,
18 and secure the buildings, treatment facilities, pumps, tanks, pipes, equipment, infrastructure,
19 easements, access routes, and other property on or serving those parcels to the extent reasonably
20 necessary to operate, maintain, or rehabilitate Havasu's water system. This authority is without
21 prejudice to any party's claim concerning title or ownership. The Receiver shall obtain from
22 Havasu, Jennifer L. Hodges, JH Partnership, and their agents all Receivership Property in their
23 possession, custody, or control, including keys, access devices, books and records, bank records,
24 customer records, billing information, contracts, permits, licenses, passwords, electronic
25 credentials, insurance information, and documents concerning the operation, maintenance,
26 ownership, or transfer of property used by Havasu.

1 8. The Receiver may collect Havasu's revenues and accounts receivable; open,
2 close, and control bank accounts in the Receiver's capacity as receiver; endorse checks payable
3 to Havasu; pay ordinary and necessary operating expenses; and take other reasonable financial
4 measures necessary to maintain water service and preserve the Receivership Property.

5 9. Upon presentation of a copy of this Order, all depositories, banks, financial
6 institutions, brokerages, and otherwise, shall provide copies of any requested records regarding
7 any such accounts to the Receiver, and shall transfer control of Havasu's accounts to the
8 Receiver. No depository shall honor any instruction from Respondents concerning Havasu's
9 accounts after presentation of this Order.

10 10. Upon presentation of a copy of this Order, any person or entity owing
11 performance of any obligation or duty to Havasu — including vendors, contractors, operators,
12 utilities, insurers, customers, and governmental agencies — shall render that performance as
13 directed by the Receiver.

14 11. The Receiver may retain, employ, and discharge employees, operators,
15 contractors, consultants, accountants, attorneys, and other professionals reasonably necessary to
16 operate and preserve the water system, subject to later review and approval of compensation by
17 the Court as required by law.

18 12. The Receiver shall be empowered but shall not be required to use the taxpayer
19 account number of Respondent Havasu in connection with the receivership estate, as necessary,
20 to perform and/or carry out the Receiver's duties.

21 13. The Receiver is not obligated to prepare or file tax returns, schedules, or other
22 tax forms for any period ending before the Receiver's qualification. For the receivership period,
23 the Receiver shall file returns only as required by applicable law, and may retain accountants
24 under paragraph 11 for that purpose.

25 14. The Receiver may purchase materials, supplies, services, insurance, and
26 emergency repairs reasonably necessary to preserve the Receivership Property and maintain
27 water service.
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1 15. The Receiver may procure insurance coverage on or relating to Havasu and the
2 Receivership Property (collectively “Insurance”). If there is existing Insurance, the Receiver
3 shall be named as an additional insured, and Respondents shall not cancel, reduce, or modify
4 that Insurance without the Receiver’s consent. If there is insufficient Insurance, the Receiver
5 shall procure said insurance within thirty (30) days of the entry of this Order, provided the
6 Receiver has funds available to do so. The Receiver shall not be personally responsible for
7 claims arising from insufficient insurance or for the procurement of insurance.

8 16. Upon the failure of any Respondent, or their agents, representatives, and all
9 persons acting under, in concert with, or for any Respondent, to abide by any term or condition
10 of this Order, the Receiver or the Commission may petition this Court for further action to
11 compel and enforce this Order, including the issuance of an Order to Show Cause re Contempt.

12 17. The Receiver shall include in each report an itemized statement of the fees and
13 expenses of the Receiver and his professional staff. Unless good cause is shown, any objection
14 to a statement must be made within 10 days of notice of the report, must be specific, and must
15 be delivered to the Receiver and all parties entitled to service of the report. (Cal. Rules of Court,
16 rule 3.1183(b).) If no timely objection is made, the Receiver may pay the stated amount from
17 estate funds; any amount subject to a timely objection shall not be paid absent further order of
18 this Court. All interim fees are subject to final review and approval by this Court, which retains
19 jurisdiction to award a greater or lesser amount as the full, fair, and final value of the services
20 received. (Cal. Rules of Court, rule 3.1183(a).)

21 18. The Receiver may open and review mail addressed to Havasu, including mail
22 delivered to P.O. Box 1690, Havasu Lake, California 92363, and may direct the U.S. Postal
23 Service to deliver Havasu’s mail to the Receiver.

24 19. The Receiver may communicate and coordinate with the California Public
25 Utilities Commission, governmental agencies, utilities, vendors, customers, the Chemehuevi
26 Indian Tribe, and other persons as reasonably necessary to operate the system and address
27 Havasu’s water-supply and infrastructure obligations.

1 20. The Receiver shall not sell or convey any real property without further order of
2 this Court.

3 21. The Receiver shall file an inventory of Receivership Property as required by
4 California Rules of Court, rule 3.1181, if not already filed, and shall file reports and accounts as
5 required by law or further order of this Court.

6 22. The Receiver shall, subsequent to the Receiver's inventory, report to the Court at
7 such times as the Receiver deems necessary to inform the Court, to seek approval of the Court,
8 or to secure orders of the Court to enforce the Receiver's actions. The foregoing
9 notwithstanding, the Receiver shall report to the Court no less frequently than every one
10 hundred and twenty (120) days.

11 23. The Receiver is not personally liable for any debt, obligation, or liability of
12 Havasu incurred before the Receiver's qualification, or for any act or omission of Havasu's
13 officers, directors, agents, employees, or consultants. The Receiver and the employees, agents,
14 attorneys, and professionals the Receiver retains shall have no personal liability for acts taken
15 within the scope of, and in accordance with, this Order or further orders of this Court. No person
16 shall threaten the Receiver with personal liability for acts taken under this Order as a means of
17 deterring him from performing his duties.

18 24. The Receiver, his employees, agents, attorneys, and all professionals and
19 management companies retained by the Receiver shall not be held liable for any claim,
20 obligation, liability, action, cause of action, cost, expense, or debt incurred by Havasu or its
21 shareholders or former directors, officers, agents, employees, or consultants. The Receiver is an
22 officer of this Court and is entitled to judicial immunity to the fullest extent the law allows for
23 acts within the scope of this Order. No claim shall be asserted against the Receiver or his
24 employees, agents, or attorneys relating to the Receiver's duties under this Order without prior
25 authority from this Court. All who are acting, or have acted, on behalf of the Receiver or at the
26 request of the Receiver are protected and privileged with the same protections of this Court as
27 those of the Receiver.

1 25. Subject to the continuing jurisdiction and further orders of this Court, the
2 Receiver shall have authority to control and make decisions concerning legal actions involving
3 Havasu or the Receivership Property, including authority to issue subpoenas, conduct and
4 participate in discovery, take depositions, pursue contempt proceedings as authorized by law,
5 and seek other relief reasonably necessary to carry out the Receiver's duties under this Order.
6 Nothing in this paragraph limits or otherwise affects the independent statutory or regulatory
7 authority of the California Public Utilities Commission, the United States Environmental
8 Protection Agency, or any other governmental agency.

9 26. All powers of Havasu's officers and directors — including the power to
10 authorize or commence a case under title 11 of the United States Code on Havasu's behalf —
11 are vested exclusively in the Receiver, and Jennifer L. Hodges and all other officers, directors,
12 agents, and representatives of Havasu are divested of, and shall not exercise, any of those
13 powers. The Receiver shall not commence a case under title 11 on Havasu's behalf without
14 prior approval of this Court.

15 27. The Receiver may retain legal counsel to assist the Receiver with issues arising
16 out of any bankruptcy proceedings that affect the receivership.

17 28. The Receiver and the parties may at any time apply to this Court for further
18 instructions or orders, and for further powers necessary to enable the Receiver to perform the
19 Receiver's duties properly, including authority to borrow funds on such terms as the Court may
20 approve.

21 29. In addition to the powers set forth above, the Receiver is vested with all of the
22 general powers of receivers in cases of this kind, subject to the direction of this Court.

23 **PRELIMINARY INJUNCTION**

24 30. During the pendency of this action and until further order of this
25 Court, Respondents Havasu, Jennifer L. Hodges, and JH Partnership, and their officers, agents,
26 employees, representatives, attorneys, successors, assigns, and all persons acting in concert with
27 any of them who receive actual notice of this Order, are enjoined and restrained from:
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- 1 a. Transferring, assigning, selling, conveying, devising, pledging, hypothecating,
2 mortgaging, creating a security interest in, encumbering, leasing, concealing,
3 destroying, removing, or otherwise disposing of or materially altering the
4 Receivership Property, or any property of Havasu or any interest in property
5 formerly held by Havasu and transferred to Jennifer L. Hodges or JH Partnership,
6 including but not limited to APNs 0649-212-19, 0649-281-28, and 0649-211-10,
7 without an order of this Court authorizing such actions;
- 8 b. Committing or permitting waste of the Receivership Property, or taking any
9 action that would impair, defeat, divert, prevent, or prejudice the preservation or
10 continued operation of Havasu's water system;
- 11 c. Directly or indirectly interfering with, obstructing, restricting, or limiting the
12 Receiver's access to, possession of, use of, operation of, or management of the
13 Receivership Property, including the Receiver's reasonable access to and use of
14 APNs 0649-212-19, 0649-281-28, and 0649-211-10 and the buildings, treatment
15 facilities, equipment, infrastructure, easements, and access routes on or serving
16 those parcels, to the extent reasonably necessary to operate, maintain, or
17 rehabilitate Havasu's water system. This authority is without prejudice to any
18 party's claim concerning title or ownership;
- 19 d. Withholding from the Receiver any property of Havasu, including funds,
20 revenues, books, records, customer information, accounts, keys, access devices,
21 passwords, electronic credentials, permits, contracts, or other operational
22 information;
- 23 e. Demanding, collecting, receiving, diverting, or using Havasu revenues or
24 accounts receivable, except as expressly authorized in writing by the Receiver or
25 by further order of this Court;
- 26 f. Destroying, concealing, altering, transferring, or failing to preserve any
27 document or electronically stored information concerning Havasu, Havasu's
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property, the operation of Havasu's water system, or the parcels identified above;
and

- g. Threatening, intimidating, harassing, or using or threatening force against the Receiver, his employees, agents, contractors, or any person acting at his direction, or against Commission staff, in connection with the Receiver's possession or operation of the Receivership Property.
- h. Communicating to Havasu's customers, vendors, contractors, or employees that the Receiver lacks authority, or directing any of them to make payments or deliver performance to anyone other than the Receiver.
- i. Directing, encouraging, or paying any employee, operator, or contractor of Havasu to disregard the Receiver's instructions or to withhold services from the Receiver.

31. Respondents shall provide the Receiver reasonable access to and use of the property, equipment, and infrastructure on or associated with APNs 0649-212-19, 0649-281-28, and 0649-211-10 to the extent reasonably necessary to operate, maintain, or rehabilitate Havasu's water system, and shall not interfere with or obstruct such access or use. Nothing in this Order adjudicates title to those parcels or the validity or effect of their transfer to JH Partnership. Respondents shall not enter the wells, treatment facilities, tanks, pump houses, or office used to operate Havasu's system except with the Receiver's written permission. The Receiver may change locks, access codes, and electronic credentials, and Respondents shall not alter or override them.

32. The temporary restraining order in the September 4 Order is superseded by this preliminary injunction. All acts taken by the Receiver under the September 4 Order are ratified and confirmed. To the extent the September 4 Order is not superseded by this Order, it remains in full force and effect.

TURNOVER AND COOPERATION

33. Havasu and Ms. Hodges shall immediately relinquish operational control of Havasu's water system to the Receiver and shall turn over all Receivership Property in their possession, custody, or control. This obligation has been in effect since September 4, 2026, and nothing in this Order extends the time for compliance.

34. JH Partnership shall not interfere with the Receiver's access to or use of APNs 0649-212-19, 0649-281-28, and 0649-211-10, or the buildings, fixtures, equipment, and infrastructure on or serving those parcels, to the extent reasonably necessary for the Receiver to operate, maintain, or rehabilitate Havasu's water system upon the terms of this Order.

35. All Respondents shall reasonably cooperate with the Receiver in identifying, locating, securing, and preserving Receivership Property and in maintaining uninterrupted water service.

36. Any violation of this Order may be punished as contempt of court. (Code Civ. Proc., §§ 1209, 1218.)

DURATION AND FURTHER PROCEEDINGS

37. This Order and the receivership remain in effect until the Court terminates the receivership and discharges the Receiver by further order. The Court retains jurisdiction over the parties, the Receiver, and the Receivership Property to enforce, modify, or supplement this Order.

38. The Commission shall serve this Order on Respondents and the Receiver within days of entry.

IT IS SO ORDERED.

DATED:

Judge of the Superior Court