

1 CHRISTINE J. HAMMOND (SBN 206768)
AARON H. BLOOM (SBN 281079)
2 CANDACE J. MOREY (SBN 233081)
KIMIKO I. ELGUEA (SBN 327519)
3 CALIFORNIA PUBLIC UTILITIES COMMISSION
320 West 4th Street, Suite 500
4 Los Angeles, CA 90013
Tel: (213) 620-2818
5 E-mail: Kimiko.Elguea@cpuc.ca.gov

6 Attorneys for CALIFORNIA PUBLIC UTILITIES COMMISSION
[Exempt from filing fees per Gov. Code § 6103]

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**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.

CIVSB2625211
Case No. [TO BE ASSIGNED]

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF *EX PARTE*
APPLICATION FOR APPOINTMENT OF
RECEIVER**

[Pub. Util. Code, § 1826; Cal. Code Civ. Proc., §
564]

**Hearing Date: [TO BE SET UPON
DEPARTMENT ASSIGNMENT]**

Remote appearance requested [Cal. Rules of
Court, rule 3.672]

Action filed: [August 27, 2026]

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1 **I. INTRODUCTION**

2 The California Public Utilities Commission (Commission) applies, *ex parte*, for an order
3 appointing a receiver for Havasu Water Company's (Havasu) water system, a temporary
4 restraining order preserving the Receivership Property,¹ and an order to show cause why the
5 Receiver should not be confirmed and a preliminary injunction should not issue.

6 Under Public Utilities Code, section 1826, whenever the Commission determines, after
7 notice and hearing, that a water corporation is unable or unwilling to serve its ratepayers, has
8 been actually or effectively abandoned by its owners, or is unresponsive to the rules or orders of
9 the Commission, the Commission may petition the superior court for the county within which
10 the corporation has its principal office or place of business for the appointment of a receiver to
11 assume possession of its property and to operate its system. (*See also* Code Civ. Proc., §
12 564(b)(8).) A receiver may be appointed upon an *ex parte* application if there is an emergency
13 and irreparable injury would occur during the time necessary for a hearing on notice. (Code Civ.
14 Proc., § 566(b); Cal. Rules of Court, rule 3.1175.)

15 The Court's appointment of a receiver is appropriate and necessary. The Commission
16 has determined that Havasu is unable or unwilling to adequately serve its ratepayers and is
17 unresponsive to the rules and orders of the Commission. (RJN, Ex. A.) The Commission made
18 its decision in a formal proceeding following notice, briefing, and evidentiary hearings. (*Ibid.*)
19 And based on an extensive evidentiary record, the Commission found that Havasu had
20 demonstrated a sustained pattern of Federal, State, and County noncompliance and chronic
21 unresponsiveness and mismanagement that had resulted in unsafe water quality and

22 _____

23 ¹ As set forth in the *Ex Parte Application* and accompanying [Proposed] Order, "Receivership
24 Property" means all real and personal property, facilities, equipment, fixtures,
25 infrastructure, bank accounts, revenues, books and records, electronically stored information,
26 credentials and passwords, permits, contracts, rights, and other property necessary, used, or
27 useful to provide water service through Havasu's system, wherever located, including three
28 parcels (Assessor Parcel Numbers (APNs) 0649-212-19, 0649-281-28, and 0649-211-10) that
 Havasu recently unlawfully conveyed from it to the JH Family Limited Partnership or any other
 property Ms. Hodges may have transferred from the utility without the Commission's approval.

1 infrastructure failures that directly endanger the public health and safety of Havasu’s customers.
2 (*Ibid.*) Havasu has not challenged that decision, and the time to do so has passed. (Pub. Util.
3 Code, § 1756.) As a result, the decision and the determinations in it are final and conclusive.
4 (Pub. Util. Code, § 1709.)

5 *Ex parte* relief is also appropriate and necessary to protect the public from ongoing
6 exposure to health and safety risks caused by Havasu’s inability and unwillingness to provide
7 adequate service. Havasu’s unsafe water quality has been found to violate multiple provisions of
8 the federal Safe Drinking Water Act and Commission General Order 103-A, causing multiple
9 mandated notices that customers boil water due to the serious health risks. (RJN, Ex. A at 11-
10 17.) Havasu’s failure to maintain fire hydrant service in its service area has been found to
11 violate Public Utilities Code and General Order 103-A. (*Id.* at 29.) Havasu has provided no
12 evidence to the Commission that it has taken—or plans to take—any action to address these
13 critical health and safety issues. Havasu’s continuous provision of unsafe water and failure to
14 maintain critical public safety infrastructure is an emergency that requires immediate relief to
15 prevent irreparable harm to Havasu’s customers.

16 In addition, Havasu’s customers face a potential imminent emergency—the loss of water
17 service altogether—that will cause irreparable harm due to Havasu’s refusal to secure any
18 alternative water supply. Havasu’s only current source of water is Lake Havasu, and Havasu’s
19 only method of accessing that water is through water intake infrastructure and pipelines located
20 within the Chemehuevi Indian Reservation. A federal court has determined that Havasu’s
21 infrastructure, equipment and installations are trespassing on tribal lands and ordered Havasu to
22 remove (or have deemed abandoned) its infrastructure and equipment by July 30, 2026.² The
23 deadline has passed. Yet, Havasu apparently refuses to take any action to secure an alternative
24 water source. Its only plan, as described in a letter Havasu sent to the Commission July 9, 2026,
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26
27 ² The removal deadline set by the ejectment order (June 15, 2026) was further extended by order
28 of the court to July 30, 2026. (Boothe Decl. ¶ 10; RJN Ex. J.)

1 is to continue business-as-usual in denial of the federal court's orders. (Elguea Decl. ¶ 5, Ex. 1.)
2 Havasu's inability to provide an alternative, lawful water source requires immediate relief
3 through *ex parte* appointment of a receiver, who may avoid altogether, or at least mitigate, the
4 impacts of a loss-of-water emergency.

5 The Commission also seeks *ex parte* relief and a temporary restraining order because the
6 Commission has learned that Havasu has begun unlawfully transferring the property needed to
7 serve its customers out of the company into a partnership that Havasu's sole owner controls.
8 (Boothe Decl. ¶ 14.) The restraining order is needed to preserve the utility's assets for the
9 benefit of customers while the Commission can determine the validity and effect of the transfers
10 in an appropriate proceeding.

11 Because there is an urgent need to protect Havasu's customers and public safety, the
12 Commission asks the Court to appoint a receiver on an *ex parte* basis as soon as possible and to
13 issue a temporary restraining order preventing Havasu and its owner from transferring or
14 disposing of ratepayer-paid-for utility assets.

15 **II. STATEMENT OF MATERIAL FACTS**

16 **A. The Commission Determined Havasu is Unable and Unwilling to** 17 **Adequately Serve Its Customers and is Unresponsive to Commission** 18 **Rules and Orders.**

19 Havasu serves approximately 226 customers in Havasu Lake, an unincorporated desert
20 community with no alternative water supply. On August 14, 2025, the Commission opened
21 Investigation (I.) 25-08-007, following numerous customer complaints about Havasu, and based
22 on a report issued by the Commission's Consumer and Protection Enforcement Division that
23 detailed evidence of multiple violations of State law and Commission rules and regulations,
24 including failure to provide safe drinking water. The Investigation commenced a formal
25 proceeding in which the Commission notified Havasu that it would determine if Havasu had
26 violated Commission rules and orders pertaining to its operations, maintenance, and practices of
27 its water system. (RJN, Ex. B at 24.) The Commission further ordered Havasu to show cause
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1 why the Commission should not petition the superior court for a receiver under Public Utilities
2 Code section 1826 and impose penalties. (*Ibid.*)

3 After notice, briefing, and an evidentiary hearing at which Havasu appeared through
4 counsel, the Commission issued Decision (D.) 26-06-010 on June 11, 2026. The Decision
5 determined that Havasu is unable or unwilling to adequately serve its ratepayers and is
6 unresponsive to the Commission’s rules and orders, authorized the Commission to petition this
7 Court for a receiver, and ordered Havasu to pay \$33,000 in penalties by August 10, 2026.
8 (Boothe Decl. ¶ 4; RJN Ex. A.)

9 Based on an extensive evidentiary record, the Commission found that “Havasu has
10 demonstrated a sustained pattern of Federal, State, and County noncompliance, coupled with
11 chronic unresponsiveness and mismanagement.” (RJN, Ex. A at 38.) The Commission further
12 found that Havasu’s disregard for oversight and mismanaged had resulted in “significant public
13 health and safety risks,” and that a receiver was “the only way to ensure safe, reliable water and
14 meet Havasu’s legal and ethical duties.” (*Ibid.* at 39-40.)

15 For example, the United States Environmental Protection Agency (EPA) issued two
16 emergency administrative orders since 2024, citing Havasu for deficiencies posing significant
17 health risk to Havasu’s customers, such as treatment plant instruments that were not calibrated
18 and an exceedance of trihalomethanes mcl (chemical byproducts of water disinfection that pose
19 long-term health risks). (*Ibid.* at 11-15.) Havasu’s water quality was so dire that the EPA
20 required Havasu, on multiple occasions, to issue boil water notices instructing customers not to
21 consume the water without boiling it first. (*Ibid.* at 16-17.) There was no evidence Havasu cured
22 these violations. (*Ibid.*)

23 Havasu was also cited by the State Water Resources Control Board and the
24 Commission’s Water Division for numerous violations of State law. For example, on March 7,
25 2025, the Commission’s Water Division found Havasu in violation of Public Utilities Code
26 section 451, which sets out the duty of a utility to furnish adequate service as is necessary to
27 promote the safety, health, comfort, and convenience of its patrons, employees, and the public,
28

1 and Commission General Order 103-A, for failing to furnish and maintain safe and reliable
2 water service to its customers and the public, failing to comply with water quality standards, and
3 failing to have a certified operator for its water distribution systems, among other violations. (*Id.*
4 at 28.) That same day, the Commission's Water Division issued another notice to Havasu for
5 failing to maintain fire hydrant service in its service area, also in violation of Public Utilities
6 Code section 451 and Commission General Order 103-A. (*Ibid.* at 29.) The Commission's
7 investigation found that Havasu failed to offer any evidence or testimony that it cured these
8 violations either. (*Ibid.* at 30.)

9 In short, the Commission found that Havasu had not adequately addressed its numerous
10 violations and ongoing threat to the public health and safety of its customers and indeed had
11 been generally unresponsive to Commission orders and rules for years. (*Ibid.* at 30.) The
12 Commission's determinations are final: Havasu never appealed against the decision. Since then,
13 Havasu has only continued to defy Commission orders and directives, including by failing to
14 pay the Commission-ordered penalty (Boothe Decl., ¶ 11), and refusing to respond to
15 Commission's requests for information, including in a recent email response from Ms. Hodges
16 asserting that Havasu is not regulated by Commission and refusing to provide information
17 regarding customer billing disputes. (Elguea Decl., ¶ 5, Ex. 1.) The threat to Havasu's customers
18 and public safety are ongoing and becoming more dire every day that Havasu fails to take any
19 proactive steps to remediate its failing water system.

20 **B. Havasu's Customers Risk Losing Water Service Altogether, Due to**
21 **Havasu's Failure to Secure a Lawful Alternative Water Source.**

22 Even beyond Havasu's failures to comply with federal water quality standards and
23 Commission regulations (the conditions cited in the Commission's decision as the basis for
24 seeking receivership) Havasu's customers face another immediate emergency concern.
25 Havasu's current water source is Lake Havasu. Water is pumped via intake infrastructure and
26 pipelines located on the Chemehuevi Indian's land to Havasu's service territory. (Boothe Decl. ¶
27 10; RJN Ex. B at 3-4.) A federal court has found that Havasu's water intake infrastructure
28

1 trespasses on those lands and has ordered Havasu to cease all operations and remove (or have
2 deemed abandoned) its infrastructure, equipment, and installations within the Chemehuevi
3 Indian Reservation. (RJN Ex. C.) The removal deadline passed earlier in 2026, and the Ninth
4 Circuit Court of Appeals denied Havasu’s request for stay. (RJN Exs. I-J.) To date, Havasu
5 appears to be continuing to use that infrastructure to supply water, but that could change at any
6 time.

7 In June, the Commission directed Havasu to outline the specific steps it would take to
8 provide customers with sufficient potable water, in a manner consistent with federal court
9 orders. (Elguea Decl. ¶ 5, Ex. 1.) In response to the Commission’s request for information,
10 Havasu said it has no plans to secure an alternative supply, (*Ibid.*) leaving Havasu’s 226
11 customers with no alternatives—except costly emergency water supply—in the event the
12 pipeline is shut off.

13 **C. Ms. Hodges has Transferred Ownership of Utility Property Necessary to**
14 **Operate the Water System without Statutorily Required Commission**
Approval.

15 Havasu’s operations, funds, and records remain under the control of one person, Jennifer
16 L. Hodges, its president and sole owner. (Boothe Decl. ¶¶ 2, 12.) On October 22, 2025, five
17 days before the evidentiary hearing in the Commission’s investigation, Ms. Hodges signed three
18 grant deeds conveying three parcels from Havasu to JH’s Partnership, a California limited
19 partnership of which she is sole general partner. The parcels include Assessor’s Parcel Number
20 (APN) 0649-212-19, 0649-211-10, and 0649-281-28 (the “Parcels”). APN 0649-212-19 is the
21 site of Havasu’s water treatment plant. The deeds were recorded October 23, 2025, and reserved
22 nothing to Havasu.

23 Havasu did not obtain required Commission approval for the transfers—indeed, to date
24 Ms. Hodges has never notified the Commission of the transfers. (Boothe Decl. ¶ 14.) She did
25 not disclose the transfers in the course of the Commission’s investigation. (RJN Exs. D-F;
26 Boothe Decl. ¶ 14; Elguea Decl. ¶¶ 2-3.) The Commission is not asking the Court to adjudicate
27 title in this Application; rather, the Commission will determine the validity and effect of those
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1 transfers in an appropriate proceeding, and per Public Utilities Code section 853.2 may void the
2 transfer. The immediate significance is to demonstrate that Ms. Hodges has already taken
3 actions to dissipate ratepayer-funded utility assets needed to operate the water system to her
4 personal trust.

5 **III. LEGAL ARGUMENT**

6 **A. The Appointment of a Receiver Is Proper.**

7 Public Utilities Code section 1826 provides that whenever the Commission “determines,
8 after notice and hearing, that any water or sewer system corporation is unable or unwilling to
9 adequately serve its ratepayers, has been actually or effectively abandoned by its owners, or is
10 unresponsive to the rules or orders of the commission, the commission may petition the superior
11 court . . . for the appointment of a receiver to assume possession of its property and to operate
12 its system upon such terms and conditions as the court shall prescribe.” The Commission has
13 made that determination in the underlying investigation. (Boothe Decl. ¶ 4; RJN Ex. A.) The
14 statute therefore supplies a remedy directed to the problem presented here: a neutral receiver
15 who can both take possession of Havasu’s property and operate the water system.

16 Code of Civil Procedure section 564, subdivision (b)(8) independently authorizes
17 appointment “[a]t the request of the Public Utilities Commission pursuant to Section 1825 or
18 1826 of the Public Utilities Code.” Appointment rests in the sound discretion of the trial court,
19 exercised with due regard to the facts of the particular case. (*City & County of San Francisco v.*
20 *Daley* (1993) 16 Cal.App.4th 734, 743-745.)

21 Here, the Commission has satisfied Public Utilities Code section 1826. The Commission
22 has determined in a formal decision that Havasu is unable or unwilling to adequately serve its
23 ratepayers and is unresponsive to the rules or orders of the Commission. (RJN, Ex. A.) The
24 Commission’s decision occurred following notice and a hearing. And the time for Havasu to
25 challenge the decision has passed, and so the Commission’s determination is final and
26 conclusive and cannot be challenged here. (Pub. Util. Code, § 1709.)

Moreover, the ongoing facts and circumstances continue to confirm that a receiver is necessary to rehabilitate this failing utility. Havasu has taken no action to remediate the system despite its demonstrated history of failing to provide safe drinking water and to maintain key infrastructure, including fire hydrants. Havasu has told the Commission it has no plan to provide alternative water supply to its approximately 226 customers, even as the deadline passed for Havasu to remove infrastructure and equipment that deliver water from the lake source to serve Havasu’s customers, without a stay. Ms. Hodges has unlawfully transferred property containing the water treatment plant from the utility to her namesake partnership without Commission approval—a fact that Havasu has not reported to the Commission (Boothe Decl. ¶ 14), and which the Commission discovered only in the course of conducting research for this matter. (Elguea Decl., ¶ 2).

Issuing an injunction against the utility is inadequate. An injunction can freeze deeds—it cannot produce or treat water, operate pumps, maintain the distribution system, respond to an equipment failure, collect revenues, retain necessary personnel, secure resources needed to keep the system running, or develop plans to supply water from alternative, lawful sources. Section 1826 provides the remedy suited to this emergency: a receiver who assumes possession of the utility’s property and operates its system under this Court’s supervision.

B. The Ex Parte Appointment of a Receiver Is Appropriate because the Commission Has Met Each Element Set Forth in Rule 3.1175.

The power to appoint a receiver on *ex parte* application is well established. (Code Civ. Proc., § 564(c).) Such appointment lies within the sound discretion of the trial court, “governed necessarily by the situation as it is presented and appears to the court at the time of making the order.” (*Misita v. Distillers Corp., Ltd.* (1942) 54 Cal.App.2d 244, 247.) A receiver may be appointed *ex parte* where “imperative necessity” or emergency is shown in the petition or supporting affidavits. (*People ex rel. Kenny v. Christ’s Church of the Golden Rule* (1947) 79 Cal.App.2d 858, 862.)

1 The requirements for the *ex parte* appointment of a receiver are set out in California
2 Rules of Court, rule 3.1175(a):

3 In addition to any other matters supporting an application for the *ex parte*
4 appointment of a receiver, the applicant must show in detail by verified
complaint or affidavit:

5 (1) The nature of the emergency and the reasons irreparable injury would
6 be suffered by the applicant during the time necessary for a hearing on
notice;

7 (2) The names, addresses, and telephone numbers of the persons in actual
8 possession of the property for which a receiver is requested, or of the
9 president, manager, or principal agent of any corporation in possession of
the property;

10 (3) The use being made of the property by the persons in possession;

11 (4) If the property is a part of the plant, equipment, or stock in trade of any
12 business, the nature and approximate size or extent of the business, and
13 facts sufficient to show whether the taking of the property by a receiver
would stop or seriously interfere with the operation of the business.

14 The Commission satisfies each requirement of Rule 3.1175(a), as set forth below.

15 **First, the nature of the emergency and threatened irreparable injury require**
16 **immediate appointment.** The Commission has already determined, after notice and an
17 evidentiary hearing, that Havasu is unable or unwilling to adequately serve its ratepayers and is
18 unresponsive to Commission rules and orders. (RJN Ex. A.) That determination rests on an
19 extensive record of conditions threatening public health and safety. Havasu has repeatedly failed
20 to provide safe and reliable water service, including water-quality deficiencies that resulted in
21 multiple mandated boil-water notices. (*Id.* at 75-76.) Havasu has also failed to maintain critical
22 infrastructure, including fire-hydrant service, and the Commission found no evidence that
23 Havasu had cured several of the cited violations. (*Ibid.* at 76.)

24 Those existing conditions are now compounded by an immediate threat that Havasu's
25 will lose its only (current) means of accessing water from the lake source, given that a federal
26 court has found that infrastructure Havasu uses to transport water from the lake to its
27 distribution system trespasses on Reservation lands, and has ordered Havasu to cease operations
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1 and remove all such infrastructure, equipment, and installations. (RJN Ex. C at 1-1.) The
2 removal deadline has passed, and no stay is in effect. (RJN Exs. C, J; Boothe Decl. ¶ 10.)
3 Havasu nevertheless continues to depend on that infrastructure to provide water to its customers.
4 (Boothe Decl. ¶ 7.) Havasu has told the Commission it has no plan to line up alternative water
5 supplies, even though the Ninth Circuit rejected Havasu's motion for stay. (RJN Ex. I; Elguea
6 Decl. ¶ 5, Ex. 1.) While Havasu's customers face an imminent potential loss-of-water
7 emergency, Havasu simply sits in denial of the federal court orders. Irreparable injury could
8 therefore occur during the time necessary for a hearing on notice, as, approximately 226
9 customers could lose access to their only water supply. The resulting deprivation of water for
10 drinking, sanitation, and fire protection cannot be adequately remedied after the fact. And an
11 injunction alone cannot eliminate that operational risk: an injunction can preserve property, but
12 it cannot address a disruption to Havasu's existing intake system or procure alternative water
13 supplies. Immediate appointment of a receiver *ex parte* places those responsibilities in the hands
14 of a neutral operator who, unlike Havasu, will be willing and capable of taking appropriate
15 actions before the threatened interruption occurs. Accordingly, Rule 3.1175(a)(1) is met.

16 Irreparable injury is also likely to occur during the time necessary for a hearing on
17 notice, if Ms. Hodges or the JH Family Partnership are not restrained from transferring or
18 encumbering utility property. Thus, the immediate appointment of a receiver *ex parte* is
19 appropriate to protect and preserve the Receivership Property for the benefit of Havasu's
20 customers. The property and equipment necessary to operate the water system is in Ms. Hodges'
21 sole control and is vulnerable to unauthorized transfers from the utility, as demonstrated by Ms.
22 Hodges prior acts of conveying deeds to three parcels of property owned by Havasu to her
23 namesake partnership, including a parcel containing Havasu's water treatment plant. That Ms.
24 Hodges acted without Commission approval and five days before the start of evidentiary
25 hearings, without ever notifying the Commission of the transactions, highlights the risk that Ms.
26 Hodges will further seek to conceal, substantially impair the value of, or transfer, encumber, or
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1 otherwise make unavailable utility property and assets, including but not limited to the three
2 parcels, before a regularly-noticed hearing can occur.

3 **Second, pursuant to Rule 3.1175(a)2) the supporting declarations identify the**
4 **persons known to possess or control the property.** Havasu’s operations, funds, and records
5 remain under the control of Jennifer L. Hodges, Havasu’s president and sole owner. (Boothe
6 Decl. ¶¶ 2, 12.) The declarations provide the information known to the Commission concerning
7 the persons possessing or controlling Havasu’s property and operations. (Elguea Decl. ¶ 3.)

8 **Third, the supporting declarations describe the use being made of the**
9 **property.** Havasu uses its utility property and infrastructure to operate the water system serving
10 approximately 226 customers in Havasu Lake. Its facilities include the infrastructure necessary
11 to obtain, treat, store, and distribute water to those customers. (Boothe Decl. ¶¶ 7, 12–15;
12 Sackett Decl. ¶ 5.) Three parcels formerly held by Havasu—including the parcel containing its
13 treatment plant—were transferred to JH Family Limited Partnership in October 2025. (Boothe
14 Decl. ¶ 14; Elguea Decl. ¶¶ 2–3; RJN Exs. C–E.) Those facts identify both the present use of the
15 property and its relationship to continued water service as required by Rule 3.1175(a)(3).

16 **Fourth, appointment of the Receiver will not stop or seriously interfere with**
17 **Havasu’s business.** Havasu’s business is the provision of water service, and the purpose of the
18 receivership is to continue that business—not interrupt it. The proposed Receiver will assume
19 operational responsibility for the system, preserve the property necessary to provide service, and
20 continue supplying water while addressing the threats to the system’s continued operation.
21 (Sackett Decl. ¶ 5.) Thus, the concern addressed by Rule 3.1175(a)(4) is reversed here: leaving
22 operational control where it presently rests *threatens* continued operation, while placing the
23 system under a receiver is intended to preserve it.

24 For the reasons set forth above, the Commission satisfies each requirement of Rule
25 3.1175(a). To the extent any information required by the Rule is unknown despite the
26 Commission’s diligence, the supporting declarations identify the information unavailable to the
27 Commission and the efforts undertaken to obtain it. (California Rules of Court, rule 3.1175(a).)
28

1 **C. A Temporary Restraining Order Is Necessary to Preserve the System.**

2 Sections 526 and 527 of the Code of Civil Procedure set forth the circumstances in
3 which a temporary restraining order may issue. Those circumstances include acts in violation of
4 another party's rights respecting the subject of the action that would tend to render the judgment
5 ineffectual, and acts threatening great or irreparable injury. (Code Civ. Proc., § 526, subd.
6 (a)(3)–(4).) Public Utilities Code section 2103 authorizes the Commission to seek injunctive
7 relief to restrain violations of the Public Utilities Act and Commission orders. Where a
8 governmental entity seeks interim relief to enforce a regulatory scheme, the public interest
9 protected by that scheme weighs in the balance. (*Tahoe Keys Property Owners' Assn. v. State*
10 *Water Resources Control Bd.* (1994) 23 Cal.App.4th 1459, 1472-1473; *Loma Portal Civic Club*
11 *v. American Airlines, Inc.* (1964) 61 Cal.2d 582, 587-589.)

12 The requested restraint is necessary to make the receivership effective. The receiver
13 cannot maintain water service if the assets necessary to provide it are transferred, encumbered,
14 concealed, or withheld, or if its access to utility property is blocked. The transfer in October
15 2025 of deeds by Havasu's president to her namesake partnership establish that this is a concrete
16 risk: three Havasu parcels were transferred in a single day, including the parcel where Havasu's
17 water treatment plant sits. These utility assets are funded by ratepayers. The public interest
18 weighs decisively in favor of preservation. And the requested restraints protect the receiver's
19 ability to ensure continued water service for Havasu's customers, not any pecuniary interest of
20 the Commission.

21 The Commission therefore requests that the temporary restraining order, and the
22 preliminary injunction to follow, direct Respondents and all persons acting with them not to:

- 23 • Commit or permit any waste of the Receivership Property or any part thereof,
24 or suffer or commit or permit any act on the Receivership Property or any part
25 thereof in violation of law, or remove, transfer, encumber or otherwise dispose
26 of any of the Receivership Property;

- Directly or indirectly interfere in any manner with the discharge of the Receiver's duties or the Receiver's possession of and operation or management of the Receivership Property;
- Expend, disburse, transfer, assign, sell, convey, devise, pledge, encumber, conceal or in any manner whatsoever dispose of the whole or any part of the Receivership Property;
- Withhold any Receivership Property, including any assets, books, records, or funds from the Receiver; and
- Do any act which will, or which will tend to, impair, defeat, divert, prevent or prejudice the preservation of the Receivership Property.

As to the three parcels or any other property Ms. Hodges may have transferred from the utility without required Commission approval, the Commission requests that the Court's injunctive relief expressly restrain Ms. Hodges and the JF Family Limited Partnership from taking any of the above actions without Court approval; it does not ask the Court to adjudicate title.

IV. CONCLUSION

The Commission requests that the Court:

- Appoint a receiver for Havasu's water system;
- Issue a temporary restraining order preserving the Receivership Property; and
- Set an order to show cause why the appointment should not be confirmed and a preliminary injunction should not issue.

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1 In the alternative, if the Court declines to appoint a receiver ex parte, the Commission
2 requests an order shortening time and setting this application for hearing at the earliest
3 practicable date.

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5 August 27, 2026

Respectfully Submitted,

6 CHRISTINE J. HAMMOND
7 AARON H. BLOOM
8 CANDACE J. MOREY
9 KIMIKO I. ELGUEA

10
11 By:



12 KIMIKO I. ELGUEA

13 320 West 4th Street
14 Los Angeles, CA 90013
15 Telephone: (213) 620-2818
16 E-mail: kimiko.elguea@cpuc.ca.gov

17 Attorneys for the California Public Utilities
18 Commission
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