

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

ELECTRONICALLY FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT
8/27/2026 10:45
By: Alyssia Skinner, DEPUTY

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

11 CALIFORNIA PUBLIC UTILITIES
12 COMMISSION,

13 Petitioners,

14 v.

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

18 Respondents.
19
20
21
22
23
24
25
26
27
28

CIVSB2625211

Case No. [TO BE ASSIGNED]

**PETITION FOR APPOINTMENT OF
RECEIVER AND FOR INJUNCTIVE
RELIEF**

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

Filed concurrently with *Ex Parte* Application and
related papers

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

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

Action filed: August 27, 2026

1 The California Public Utilities Commission (Commission) petitions this Court under
2 Public Utilities Code section 1826 for appointment of a receiver to assume possession of Havasu
3 Water Company's property and operate its water system due to Havasu Water Company's
4 sustained pattern of Federal, State, and County noncompliance, coupled with chronic
5 unresponsiveness and mismanagement that has resulted in unsafe water quality and infrastructure
6 failures that directly endanger the public health and safety of its customers. The Commission
7 also seeks injunctive relief necessary to preserve utility assets and allow the receiver to operate
8 and rehabilitate the water system, including property the Commission recently learned was
9 unlawfully transferred from the utility to the JH Family Limited Partnership without required
10 Commission approval. The Commission's requested injunctive relief therefore includes
11 prohibiting Respondents from making further attempts to transfer utility property or unlawfully
12 transferred utility property; from taking any other actions to waste, encumber, or dispose of
13 utility property or unlawfully transferred utility property; or from interfering with the receiver's
14 access, use, and control over utility property or unlawfully transferred utility property, as is
15 reasonably necessary to operate and rehabilitate the water system.

16 **I. PARTIES**

17 1. The Commission is a constitutionally established state agency with broad
18 regulatory authority over public utilities, including privately owned water corporations. (Cal.
19 Const., art. XII, §§ 1–6.) (See also *Wise v. Pac. Gas & Elec. Co.* (1999) 77 Cal. App. 4th
20 287,293 (quoting *San Diego Gas & Electric Co. v. Superior Court* (1996) 13 Cal. 4th 893, 915)
21 (explaining, Article XII of the California Constitution "establishes the [Commission] and gives it
22 broad regulatory power over public utilities, 'including the power to fix rates, establish rules,
23 hold various types of hearings, award reparation, establish its own procedures.'"); Cal. Const.,
24 art. XII, §§ 1-4, 6.)

25 2. Respondent Havasu Water Company, also known as Havasu Water Company,
26 Inc. (Havasu, or HWC), is a California water corporation and public utility, utility number U-
27
28

1 352-W. Havasu serves approximately 226 service connections in Havasu Lake, an
2 unincorporated community in San Bernardino County.

3 3. Respondent Jennifer L. Hodges is Havasu's president, sole director, and sole
4 owner. Havasu's October 22, 2025 Statement of Information identifies Ms. Hodges as its Chief
5 Executive Officer, Secretary, Chief Financial Officer, sole director, and agent for service of
6 process.

7 4. Respondent JH Family Limited Partnership (JH's Partnership) is a California
8 limited partnership. The Certificate of Limited Partnership identifies Respondent Jennifer
9 Hodges as its sole general partner. JH's Partnership is the record owner of three parcels of land
10 formerly titled to Havasu that Ms. Hodges transferred to JH's Partnership, without statutorily
11 required Commission approval, including the parcel on which Havasu's water treatment facility
12 is located. JH's Partnership is joined because complete relief requires that the receiver be able to
13 access and use property and infrastructure on those parcels without interference and to prevent
14 further attempts to transfer or encumber any interest in the parcels, while the validity and effect
15 of the transfers are addressed in the appropriate Commission proceeding.

16 **II. JURISDICTION AND VENUE**

17 5. Code of Civil Procedure section 564(b)(8) authorizes the Court to appoint a
18 receiver at the request of the Commission pursuant to Public Utilities Code section 1826.

19 6. Public Utilities Code section 1826 authorizes the Commission, after notice and
20 hearing and the determinations specified by the statute, to petition the superior court for
21 appointment of a receiver to assume possession of a water corporation's property and operate its
22 system upon terms and conditions prescribed by the court.

23 7. Venue is proper in San Bernardino County because Havasu's principal office and
24 water system are located in this County. The three parcels of land transferred to JH's Partnership
25 are also located in this County.

1 **III. THE COMMISSION HAS REGULATORY JURISDICTION OVER**
2 **HAVASU**

3 8. Havasu is a public utility subject to the Commission's jurisdiction. Any
4 corporation "owning, controlling, operating, or managing any water system within this State"
5 that "sells, leases, rents, or delivers water to any person" is a public utility "subject to...the
6 jurisdiction, control, and regulation of the commission." (Pub. Util. Code § 2701; see also §§
7 216, 241.) Havasu is such a corporation. The Commission issued Havasu its Certificate of
8 Public Convenience and Necessity on January 9, 1962, by D.63015. (RJN Ex. B at 3 & fn. 4.)

9 9. The Commission has broad authority over water utilities such as Havasu. Public
10 Utilities Code section 701 confers on the Commission "vast, inherent power to take any action
11 that is cognate and germane to utility regulation, supervision, and ratesetting, unless specifically
12 barred by statute." *S. Cal. Edison v. Pub. Utilities Com.* (2014) 227 Cal.App.4th 172, 187.)
13 Public Utilities Code section 702 requires public utilities to comply with the Commission's
14 Orders, decisions, directions and rules, as specified in the Public Utilities Code or any other
15 matter in any way relating to or affecting its business as a public utility.

16 10. In addition to its broad authority, the Commission has the express authority to
17 petition the Court for a receiver over a water utility such as Havasu upon determining that the
18 utility is unable or unwilling to adequately serve its customers or is unresponsive to the rules or
19 orders of the Commission. Public Utilities Code section 1826 states:

20 Whenever the commission determines, after notice and hearing, that any
21 water or sewer system corporation is unable or unwilling to adequately
22 serve its ratepayers, ... or is unresponsive to the rules or orders of the
23 commission, the commission may petition the superior court for the
24 county within which the corporation has its principal office or place of
25 business for the appointment of a receiver to assume possession of its
26 property and to operate its system upon such terms and conditions as the
27 court shall prescribe. The court may require, as a condition to the
28 appointment of the receiver, that a sufficient bond be given by the
29 receiver and conditioned upon compliance with the orders of the court
30 and the commission, and the protection of all property rights involved.
The court shall provide for disposition of the facilities and system in like
manner as any other receivership proceeding in this state.

1 11. Water utilities must obtain Commission authority before transferring or disposing
2 of utility property. Public Utilities Code sections 853.2 and 851 together ensure the
3 Commission's regulatory oversight of Havasu's property transactions, by requiring a small water
4 utility to obtain prior approval before entering into any transaction to sell, lease, assign,
5 encumber, or otherwise dispose of utility property necessary or useful in the performance of its
6 duties to the public. Public Utilities Code section 853.2(a)(2) provides that, where a small water
7 utility, such as Havasu, has entered into such a transaction without the Commission's prior
8 approval, the transaction is voidable by the Commission.

9 12. The Commission's jurisdiction is not affected by federal litigation. Havasu draws
10 its water from the source (Lake Havasu) and delivers it to the water distribution system through a
11 water intake and pipeline infrastructure and equipment located within the Chemehuevi Indian
12 Reservation, under an easement that expired in 2006. (Boothe Decl. ¶ 10; RJN Ex. B at 3-4.) In
13 *Chemehuevi Indian Tribe v. Havasu Water Co.*, No. 5:20-cv-00471-GW-KK (C.D. Cal.), the
14 Tribe sued Havasu for trespass, and on January 8, 2026 the United States District Court entered
15 an order requiring Havasu to remove its water intake infrastructure and pipeline from reservation
16 lands, or have any remaining infrastructure, equipment and installations deemed abandoned.
17 (RJN Ex. C at 2-3.) The deadline set in the ejection order (including a brief extension set by
18 subsequent order) passed on July 30, 2026. (RJN Exs. I-J.) The order does not affect the
19 Commission's regulation of Havasu and it expressly preserves the Commission's authority to
20 seek appointment of a receiver. (RJN Ex. C at 4-5.) A true and correct copy of the ejectment
21 order and extension order is submitted with the Commission's concurrently filed Request for
22 Judicial Notice as Exhibits C, and J.

23 **IV. THE COMMISSION'S INVESTIGATION AND RECEIVERSHIP** 24 **DECISION**

25 13. On August 14, 2025 the Commission instituted Investigation (I.) 25-08-007,
26 following 91 informal and nine formal customer complaints and a Consumer Protection and
27 Enforcement Division staff report detailing evidence of multiple violations of state law and
28

Commission rules and regulations, including failure to provide safe drinking water. (RJN Ex. B) The Investigation was opened to determine whether Havasu had violated Commission rules and orders pertaining to its operations, maintenance, and practices of its water system. In its order, the Commission also directed Havasu to show cause why the Commission should not petition the superior court for appointment of a receiver under Public Utilities Code section 1826 and impose penalties for Havasu's noncompliance and unlawful practices harming Havasu's water service customers.

14. Havasu received notice of the proceeding and appeared through counsel at numerous times throughout the proceeding. The Commission held evidentiary hearings on October 27 and 28, 2025. Havasu submitted opening and reply briefs prior to the Commission's issuance of a Presiding Officer's Decision on February 13, 2026. Havasu filed a notice of appeal and alleged grounds for rehearing of that preliminary decision.¹

15. On June 11, 2026 the Commission issued Decision (D.) 26-06-010, Modified Presiding Officer's Decision Resolving Order Instituting Investigation of Havasu Water Company and Order to Show Cause. Based on an extensive evidentiary record demonstrating Havasu's history of noncompliance and unresponsiveness at the Federal, State and County levels and mismanagement of the company resulting in health and safety risks to customers, the Commission determined that Havasu is unable or unwilling to adequately serve its ratepayers and is unresponsive to the rules and orders of the Commission. (RJN Ex. A at 76-77, 81-82.) Either of these determinations is a sufficient basis for the Commission's further decision authorizing the General Counsel to petition this Court for appointment of a receiver under Public Utilities Code section 1826. The Commission also ordered Havasu to pay \$33,000 in penalties

¹ Records of Investigation for I.25-08-007, including all filed documents, are publicly accessible through the Commission's Docket Card search function at https://apps.cpuc.ca.gov/apex/f?p=401:56::::RP,57,RIR:P5_PROCEEDING_SELECT:I2508007.

1 for numerous violations of the Public Utilities Code and Commission Rules and Orders. (RJN
2 Ex. A at 83-83.)

3 16. The Commission's decision followed years of regulatory violations that
4 threatened the health and safety of Havasu's customers. Among other things, the Commission
5 found that Havasu repeatedly failed to provide safe and reliable water service, failed to maintain
6 its water system and fire hydrants, operated without appropriately certified personnel, and failed
7 to comply with Commission directives intended to correct those deficiencies. Havasu's
8 customers experienced repeated water outages and prolonged boil-water notices, while state and
9 federal regulators identified serious deficiencies in Havasu's water treatment and distribution
10 systems. Despite repeated notices, citations, and corrective directives from the Commission and
11 other regulators, including the Environmental Protection Agency, Havasu failed to bring its
12 system into compliance. A true and correct copy of D.26-06-010 is submitted with the
13 Commission's concurrently filed Request for Judicial Notice as Exhibit A.

14 17. Havasu did not timely appeal D.26-06-010; accordingly no petition for writ of
15 review is pending. Under Public Utilities Code section 1709, the Commission's order, including
16 its findings regarding Havasu's history of unresponsiveness to the rules of and orders of the
17 Commission, and of Havasu's unwillingness and inability to serve its customers, is therefore
18 final and unreviewable.

19 18. The conditions that led the Commission to authorize the General Counsel to
20 petition this Court for a receivership have not been resolved. Rather, conditions worsen and
21 Havasu's customers face an imminent public health emergency if Havasu loses access to the lake
22 water. Yet, Havasu has not taken any actions to secure an alternative, lawful source of water that
23 does not require use of trespassing infrastructure and equipment.

24 19. Havasu remains responsible for providing safe, reliable water service to
25 approximately 226 connections in its service territory in Havasu Lake. On June 25, 2026, the
26 Commission's Deputy Executive Director for Safety Enforcement, Safety Policy, and Water sent
27
28

1 Havasu a letter reminding Havasu of its obligation to provide adequate and reasonable water
2 service to its customers until a court-appointed receiver can assume operational control. The
3 letter also recognized the federal ejectment order and requested Havasu to identify, within ten
4 business days, the specific steps it would take to provide sufficient potable water in a manner
5 consistent with that order. (Elguea, Decl. ¶ 5, Ex. 1.)

6 20. Havasu responded on July 9, 2026. Its response identified no alternative water
7 source or other steps it would take to comply with the federal ejectment order while continuing
8 to serve its customers. Instead of acknowledging the need to secure an alternative source of
9 water, Havasu stated that it would continue using the disputed right-of-way to draw water from
10 the Colorado River because, in its view, prior Commission decisions and other authorities permit
11 that continued use. A true and correct copy of Havasu's July 9, 2026 response is attached as
12 (Elguea, Decl. ¶ 5 Ex. 1.)

13 21. The Court's appointment of the receiver with corresponding injunctive relief over
14 all Respondents including JH's Partnership is necessary to preserve and remediate the utility's
15 water system, safeguard its assets, and maintain water service while the receivership proceeds.

16 **V. THE COURT'S ROLE UNDER THE STATUTORY SCHEME**

17 22. The Commission has made the predicate regulatory determinations required under
18 Public Utilities Code section 1826 to seek a receiver. Public Utilities Code section 1759,
19 subdivision (a), provides that no superior court has jurisdiction to review, reverse, correct, or
20 annul a Commission order or decision, to suspend or delay its execution or operation, or to
21 interfere with the Commission in the performance of its official duties.

22 23. Accordingly, this Petition does not ask the Court to reconsider whether Havasu is
23 unable or unwilling to adequately serve its ratepayers, whether Havasu is unresponsive to
24 Commission rules or orders, or whether the Commission properly authorized a receivership.
25 Those matters were determined by the Commission in D.26-06-010, which was not challenged
26 by Havasu and is now final.

1 24. The Commission therefore asks the Court to appoint the receiver, determine if a
2 bond should be required of the receiver, prescribe the terms and conditions under which the
3 receiver will possess Havasu’s property and operate its system, supervise the receivership, and
4 enter preservation and noninterference orders sufficient to make that appointment effective.

5 **VI. INJUNCTIVE RELIEF OVER RESPONDENT JH’S PARTNERSHIP IS**
6 **NECESSARY DUE TO MS. HODGES’ TRANSFER OF UTILITY**
7 **PROPERTY WITHOUT COMMISSION APPROVAL**

8 25. October 22, 2025 —five days before the Commission’s evidentiary hearing in the
9 formal Investigation—Ms. Hodges signed three grant deeds on behalf of Havasu conveying three
10 parcels of land in San Bernardino County from Havasu to JH’s Partnership. Ms. Hodges
11 controlled both entities—Havasu as its sole officer, director, and owner, and JH’s Partnership as
12 the sole general partner.

13 26. The deeds were recorded on October 23, 2025. They conveyed: (a) APN 0649-
14 212-19, the site of Havasu’s water treatment facility at 148896 Havasu Lake Road; (b) APN
15 0649-281-28; and (c) APN 0649-211-10 (collectively, the “Parcels”). (RJN Exs. D-F.)

16 27. The deeds do not reserve to Havasu any fixture, equipment, easement, lease,
17 license, or right of occupancy. On information and belief, Havasu nevertheless continues to use
18 property on or associated with the Parcels to provide water service.

19 28. Havasu did not seek or obtain Commission approval before entering the transfers.
20 (Boothe Decl. ¶ 14.) Public Utilities Code section 853.2 requires a water corporation with fewer
21 than 2,000 service connections to receive Commission approval before entering a transaction
22 otherwise subject to section 851—which these are—and provides that an unapproved transaction
23 is voidable by the Commission.

24 29. Havasu has never disclosed the transfers to the Commission or sought retroactive
25 approval. The Commission independently discovered the transfers while conducting research for
26 this matter. (Elguea Decl. ¶ 2, Ex. 1.)
27
28

1 30. Immediate preservation relief is necessary. Property and infrastructure on or
2 associated with the Parcels are necessary and used to operate Havasu's water system. A receiver
3 cannot operate the water system or rehabilitate the utility for the benefit of customers if JH's
4 Partnership or Ms. Hodges attempts to exclude the receiver from entering the Parcels or
5 otherwise interferes with the receiver's use of the equipment and infrastructure necessary to
6 operate the utility located on the Parcels.

7 31. Injunctive relief restraining JH's Partnership and Ms. Hodges is also necessary to
8 preserve the status quo and protect Havasu's customers from further attempts to unlawfully
9 transfer utility property pending the Commission's determination whether the transfers are void,
10 and any resulting legal action. The Commission does not ask the Court to adjudicate title, but to
11 maintain the status quo so the Commission may address the validity and effect of the transfers in
12 an appropriate Commission proceeding.

13 **VII. NOMINATION OF RECEIVER**

14 32. The Commission nominates Scott M. Sackett for appointment as receiver of
15 Havasu and its water system.

16 33. Mr. Sackett's qualifications and experience are described in his declaration and
17 curriculum vitae filed with the Commission's *ex parte* application. The Commission submits that
18 Mr. Sackett is qualified to take possession of Havasu's property, stabilize its operations, maintain
19 water service, and address the system's immediate operational and infrastructure needs.

20 **VIII. NO BOND SHOULD BE REQUIRED IN THIS CASE**

21 34. As shown by his curriculum vitae, Mr. Sackett has extensive experience serving
22 as court-appointed receiver and other fiduciary. He is the President of Fiduciary Management
23 Technologies in Sacramento, California. He has provided receivership of fiduciary services for
24 approximately 24 years. He has served as a receiver, Chapter 11 trustee, examiner, chief
25 restructuring officer, and special master. He holds a B.S. in mechanical engineering from the
26 University of California at Berkeley and completed the California Receivers Forum's advanced
27
28

1 receivership law and practice program at Loyola Law School. He sits on the State Board of
2 Directors of the California Receivers Forum and is a past State Chair.

3 35. Two of Mr. Sackett's previous appointments have involved water systems. In *The*
4 *Oaks Rancho v. Ray*, the Kern County Superior appointed him as receiver over a corporation
5 managing common-area land and an association residential development; his duties included
6 deferred maintenance and infrastructure rebuild for the community's potable water and fire
7 control water systems. In *Heer v. Nor-Cal Pump & Well Drilling*, he served as provisional
8 director of a contractor drilling wells for municipal water supplies in California.

9 36. Mr. Sackett's other appointments include operating businesses with health and
10 safety violations, deferred maintenance, and court-supervised sale. In *In re Aiad & Hoda Samuel*,
11 he took control of a distressed real estate portfolio with no starting funds, cleared county code
12 violations, and sold four shopping centers. In *California Housing Finance Agency v. Twin Pines*
13 *Apartments Associates*, he managed a 40-unit low-income complex through health and safety
14 correction and sale.

15 37. Given Mr. Sackett's extensive experience and demonstrated ability to manage
16 distressed operations and property under court supervision, the Commission respectfully submits
17 that no bond is necessary in this case and requests that the Court waive the posting of any bond
18 by the Receiver.

19 **IX. INJUNCTIVE AND PRESERVATION RELIEF**

20 38. The requested relief preserves the status quo.

21 39. The Commission is concurrently seeking temporary relief on an *ex parte* basis and
22 an order to show cause regarding confirmation of the receiver and issuance of a preliminary
23 injunction. The ultimate relief requested in this Petition is appointment of the receiver for the
24 duration necessary to carry out the receivership and continuing injunctive relief sufficient to
25 preserve receivership property and prevent interference with the receiver, as set forth in the
26
27
28

1 Proposed Order filed for the Court's consideration concurrently with the *Ex Parte* Application
2 and the instant Petition.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, the Commission respectfully prays that the Court:

5 1. Appoint Scott M. Sackett as receiver under Public Utilities Code section 1826 and
6 Code of Civil Procedure section 564 to assume possession and control of Havasu's property and
7 operate Havasu's water system upon terms and conditions prescribed by the Court;

8 2. Authorize the receiver to take possession, custody, and control of Havasu's books,
9 records, accounts, revenues, equipment, infrastructure, and other property used or useful in
10 providing water service, including to access and use property and infrastructure on or associated
11 with the Parcels or other unlawfully transferred utility property to the extent reasonably
12 necessary to operate or rehabilitate the water system, without adjudicating title to the Parcels;

13 3. Enjoin Havasu, Ms. Hodges, JH's Partnership, and persons acting in concert with
14 them from transferring, selling, conveying, encumbering, leasing, concealing, removing,
15 destroying, or otherwise disposing of or materially altering Havasu's property or any interest in
16 the Parcels or other unlawfully transferred utility property without Court approval;

17 4. Enjoin Havasu, Ms. Hodges, JH's Partnership, and persons acting in concert with
18 them from interfering with, obstructing, restricting, or limiting the receiver's access to,
19 possession of, use of, operation of, or management of Havasu's water system, including
20 reasonable access to and use of the buildings, equipment, infrastructure, easements, and access
21 routes on or associated with the Parcels or other unlawfully transferred utility property to the
22 extent reasonably necessary to operate or rehabilitate the water system;

23 5. Require Havasu and Ms. Hodges to turn over to the receiver all Havasu property,
24 books and records, funds, accounts, keys, access devices, passwords, electronic credentials,
25 permits, contracts, and operational information in their possession, custody, or control;
26
27
28

1 6. Require Respondents to reasonably cooperate with the receiver in identifying,
2 locating, securing, and preserving property used in Havasu's water service and in maintaining
3 uninterrupted water service;

4 7. Waive the Receiver's undertaking under Code of Civil Procedure section 567, or
5 fix it in a nominal amount;

6 8. Retain jurisdiction to supervise the receivership and issue further orders necessary
7 to preserve Havasu's property, maintain water service, and carry out the purposes of Public
8 Utilities Code section 1826; and

9 9. Grant such other and further relief as the Court deems just and proper.

10 August 27, 2026

Respectfully Submitted,

11
12 CHRISTINE J. HAMMOND
13 AARON H. BLOOM
14 CANDACE J. MOREY
15 KIMIKO I. ELGUEA

16 By:



KIMIKO I. ELGUEA

17 320 West 4th Street
18 Los Angeles, CA 90013
19 Telephone: (626) 318-2579
20 E-mail: kimiko.elguea@cpuc.ca.gov

21 Attorneys for the California Public Utilities
22 Commission
23
24
25
26
27
28