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8
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **FOR THE COUNTY OF SAN BERNARDINO**

11 CALIFORNIA PUBLIC UTILITIES
12 COMMISSION,

13 Petitioner,

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; and JH FAMILY
17 LIMITED PARTNERSHIP, a California
limited partnership.

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

CIVSB2625211

Case No. [TO BE ASSIGNED]

**REQUEST FOR JUDICIAL NOTICE IN
SUPPORT OF EX PARTE APPLICATION**

Hearing: [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 request that the Court take judicial notice of
2 the following documents under California Evidence Code sections 452 and 453, in support of
3 the concurrently filed *Ex Parte* Application and Petition:

4 1. **Exhibit A:** California Public Utilities Commission Decision (D.) 26-06-010,
5 issued June 11, 2026, in Investigation (I.) 25-08-007. Judicial notice is proper under California
6 Evidence Code section 452, subdivision (c), as an official act of a state administrative agency.

7 2. **Exhibit B:** Order Instituting Investigation (OII) 25-08-007, issued August 14,
8 2025. (Cal. Evid. Code, § 452, subd. (c).)

9 3. **Exhibit C:** Order Granting Ejectment, *Chemehuevi Indian Tribe v. Havasu*
10 *Water Co.*, United States District Court, Central District of California, No. 5:20-cv-00471-GW-
11 KK, entered January 8, 2026. (Cal. Evid. Code, § 452, subd. (d).)

12 4. **Exhibit D:** Grant Deed recorded October 23, 2025 in the Official Records of San
13 Bernardino County as Document No. 2025-0257862. (Cal. Evid. Code, § 452, subds. (c), (h).)

14 5. **Exhibit E:** Grant Deed recorded October 23, 2025 in the Official Records of San
15 Bernardino County as Document No. 2025-0257863. (Cal. Evid. Code, § 452, subds. (c), (h).)

16 6. **Exhibit F:** Grant Deed recorded October 23, 2025 in the Official Records of San
17 Bernardino County as Document No. 2025-0257864. (Cal. Evid. Code, § 452, subds. (c), (h).)

18 7. **Exhibit G:** Records of the California Secretary of State for Havasu Water
19 Company. (Cal. Evid. Code, § 452, subds. (c), (h).)

20 8. **Exhibit H:** Records of the California Secretary of State for JH Family Limited
21 Partnership. (Cal. Evid. Code, § 452, subds. (c), (h).)

22 9. **Exhibit I:** Civil Minutes for Telephonic Hearing on Defendant's Motion to Stay
23 Enforcement of the Amended January 8, 2026 Ejectment Order Pending Decision by the Court
24 of Appeals in *Chemehuevi Indian Tribe v. Havasu Water Co.*, United States District Court,
25 Central District of California, No. 5:20-cv-00471-GW-KK, entered January 8, 2026. (Cal. Evid.
26 Code, § 452, subd. (d).)

1 10. **Exhibit J:** Order Granting Motion for Limited, Temporary, Humanitarian
2 Transition Modification of Amended Order of Ejectment, *Chemehuevi Indian Tribe v. Havasu*
3 *Water Co.*, United States District Court, Central District of California, No. 5:20-cv-00471-GW-
4 KK, entered June 15, 2026. (Cal. Evid. Code, § 452, subd. (d).)

5 Judicial notice of the existence and contents of each document is requested; as to the
6 recorded deeds, notice extends to the fact and date of recordation and the legal effect of their
7 recorded contents. True and correct copies of Exhibits A through H are attached.

8
9 Dated: August 27, 2026

Respectfully Submitted,

10 CHRISTINE J. HAMMOND
11 AARON H. BLOOM
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14 By:



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EXHIBIT A

Decision 26-06-010 June 11, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into the Operations, Maintenance, and Practices of Havasu Water Company (WTD-352) for Failure to Comply with the Laws, Rules, and Regulations of this State Governing the Manner in which California Consumers are Provided with Safe and Reliable Water Service and Order to Show Cause Why the Commission Should Not Petition the Superior Court for the Appointment of a Receiver.

Investigation 25-08-007

And Related Matter.

K.25-06-028

**MODIFIED PRESIDING OFFICER'S DECISION RESOLVING ORDER
INSTITUTING INVESTIGATION OF HAVASU WATER COMPANY AND
ORDER TO SHOW CAUSE**

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Summary

This Decision grants the California Public Utilities Commission's Consumer Protection Enforcement Division's request to petition the California Superior Court for a receivership for Havasu Water Company. This decision is based on Havasu Water Company's well-documented history of noncompliance and unresponsiveness at the Federal, State and County levels, together with mismanagement of the company which has resulted in health and safety risks to customers and the general public.

This Decision finds that Havasu Water Company violated Public Utilities Code § 2713(a) and General Order 103-A when it failed to provide all records of its inspection, repair and replacement of all its fire hydrants in its service area in the last ten years to the California Public Utilities Commission, Water Division (Water Division).

This Decision finds that Havasu Water Company violated Rule 1.1 when on: 1) December 8, 2023, Havasu submitted an Advice Letter with incorrect information to Water Division; 2) October 11, 2024, Havasu responded to a data request claiming it was awaiting further information from the San Bernardino County Fire Department (SBCFD) when it knew SBCFD did not have any information to be given; and 3) April 8, 2025, Havasu sent bills to customers requesting late fees when it was ordered in D.24-03-053 to remove all late fees from customers' bills from 2021 forward.

This Decision finds that Havasu Water Company did not violate Public Utilities Code § 454 and Tariffs 12(B) and 12(c) when it changed its customers' water meters from 5/8 x 3/4" to 3/4".

This Decision orders Havasu Water Company to pay the penalty, imposed in Citation Number W.22-09-001, of \$2,000 plus an additional amount of \$500 within 60 days of issuance of this decision.

This Decision orders Havasu Water Company to pay a penalty of \$500 for failing to comply with Decision (D.) 24-03-053 Ordering Paragraph 1 within 60 days of issuance of this decision.

This Decision orders Havasu Water Company to pay a penalty of \$20,000 for intentionally misleading the Commission with respect to the inspection, repair and maintenance of all Havasu's fire hydrants in its service area within 60 days of issuance of this decision.

This proceeding is closed.

1. Background

1.1. Factual Background

Havasu Water Company (Havasu) is a Class D¹ investor-owned water utility. Havasu is located in the unincorporated community of Havasu Lake, San Bernardino County. The water supply system serves approximately 226 year-round residents through metered service. There are also approximately 20 fire hydrants providing fire protection for the community.

1.2. Procedural Background

On August 14, 2025, the California Public Utilities Commission (Commission) initiated Investigation (I.) 25-08-007 (OII) to assess whether

¹ As defined by General Order (GO) 96-B Water Industry Rules Section 1.2, Class D investor-owned water utilities are those with less than 500 service connections.

Havasu failed to comply with applicable laws, rules, and regulations governing the provision of safe and reliable water service to consumers. The Commission also issued an order to show cause directing Havasu to explain why the Commission should not petition the California Superior Court for the appointment of a receiver to take possession of Havasu's property and operate its system, and why the Commission should not impose penalties for violations, noncompliance with Commission orders and other unlawful or harmful practices affecting customer safety.

The OII set forth a preliminary scoping memo pursuant to Rule² 7.1(c) to which Havasu was ordered to file a response by September 15, 2025.

After being granted an extension of time, on September 24, 2025, Havasu filed its response to the preliminary scoping memo contained in the OII.

On September 30, 2025, a virtual Pre-Hearing Conference (PHC) was held. Based on the PHC statements, comments and the preliminary Scoping Memo, the Consumer Protection and Enforcement Division (CPED) was ordered to amend the preliminary scoping memo allegations.

On October 3, 2025, CPED filed its amended allegations to the preliminary scoping memo.

On October 9, 2025, Havasu filed its objection to the revised Scoping Memo and Ruling (Havasu Objection to Scoping Memo No. 1).

On October 16, 2025, the Assigned Commissioner served the Scoping Memo and Ruling (Scoping Memo).

² All references to Rule or Rules are to the Commission's Rules of Practice and Procedure unless otherwise specified.

After being granted permission for a late filing, on October 17, 2025, Havasu filed its objection to the amended allegations to the preliminary scoping memo (Havasus Objection to Scoping Memo No. 2).

On October 17, 2025, CPED filed its motion to enter testimony and exhibits into the evidentiary record.

In addition, on the same date, CPED filed a motion for official notice. CPED requested that the assigned Administrative Law Judge (ALJ) take official notice of the following: United States (U.S.) District Court filings in the Chemehuevi Indian Tribe v. Havasu Water Co.; U.S. Environmental Protection Agency Region IX Docket No. PWS-AO-2025-002 enforcement actions and related documents; and State Water Resource Control Board, Division of Drinking Water enforcement actions and related documents.

Havasus was provided ample notice and opportunity to file direct testimony and evidence in support of its case but elected not to do so. As such, the evidentiary record does not contain any testimony or evidence from Havasu.

On October 22, 2025, CPED filed a motion to strike portions of Havasus's October 17, 2025 Objection to Scoping Memo No. 2.

On October 27 and 28, 2025, evidentiary hearings were held.

On November 5, 2025, CPED filed a motion to admit portions of Exhibit – 03 into evidence under seal.

On November 18, 2025, Havasu and CPED filed opening briefs.

On November 21, 2025, Havasu and CPED filed reply briefs.

On January 14, 2026, CPED filed a motion to set aside submission of the record and reopen the record. On the same day, CPED filed a motion to request

official notice of the U.S. District Court's Order of Ejectment dated January 8, 2026.

On January 20, 2026, the assigned Administrative Law Judge issued a ruling granting CPED's January 14, 2026 motions.

On February 5, 2026, the assigned Administrative Law Judge issued a ruling consolidating K.25-06-028 into this proceeding.

The proceeding is closed.

2. Submission Date

This matter was submitted on January 20, 2026, following the reopening of the record to take official notice of the U.S. District Court's Order of Ejectment dated January 8, 2026.

3. Jurisdiction

Regulation of water service and water quality falls under the jurisdiction of multiple federal and state agencies. Because of the nature of water service and its impact on reliability, water quality and public health and safety, agencies such as the U.S. Environmental Protection Agency (EPA), California Public Utilities Commission's (Commission) Water Division (WD) and the California State Water Resource Control Board, Division of Drinking Water (DDW), all play a role in ensuring that water is provided safely to the public.

The EPA protects water quality by setting standards and enforcing regulations under the Safe Drinking Water Act (SDWA) and Clean Water Act. The WD regulates California's investor-owned water utilities ensuring that water utilities deliver clean, safe and reliable water to their customers at reasonable rates. The DDW regulates California's public water systems to ensure safe

drinking water by enforcing the SDWA, issuing permits and monitoring water quality.

On January 1, 2024, DDW officially transferred Havasu SDWA jurisdiction to the EPA.³ This transfer provided the EPA with primary enforcement responsibility of the SDWA over Havasu. Consequently, effective January 1, 2024, the WD and the DDW possess jurisdiction to exercise secondary enforcement responsibility under the SDWA with respect to Havasu.⁴

4. Burden of Proof

The Commission has jurisdiction over the activities of public utilities.⁵ Havasu is a utility that provides water service.⁶ Therefore, Havasu is a utility subject to the Commission's jurisdiction, control and regulation.⁷

CPED is a division of the California Public Utilities Commission which investigates and prosecutes violations of the Public Utilities Code, regulations, orders and statutes. As this proceeding was initiated on the Commission's own motion, CPED bears the burden of proof, which must be met by a preponderance of the evidence.⁸

³ Exhibit 1, Attachment 4, Document 1 at 2-3.

⁴ Id.

⁵ Pub. Util. Code § 216(a).

⁶ Decision (D.) 68790 at 1-2. Havasu Water Company was granted a certificate of public convenience and necessity in 1962 by the Commission.

⁷ Id.

⁸ See D.57597 at 8. "Proceedings instituted on the Commission's own motion such as this case, are basically disciplinary in nature because the penalties that might flow from the Commission's decision may result in suspension or revocation of operative rights granted by the State. The burden of proof is upon the staff to prove the charges made." Evidence Code

Footnote continued on next page.

5. Parties Positions

5.1. CPED's Position

CPED contends that the instant investigation is based on evidence pertaining to Havasu's failure to fulfill its responsibilities as a Class D water utility to furnish, maintain and provide safe and reliable water services and facilities to customers and the public.⁹ According to CPED, Havasu's alleged improper actions of providing deficient water services and facilities to its customers and the public have led to numerous informal and formal complaints filed by Havasu customers regarding concerns over water quality and service; improper water service changes; customer disconnections and public health and safety.¹⁰

5.2. Havasu's Position

Havasu contends that the preliminary scoping memo is vague and confusing.¹¹ In addition, Havasu objects to the OII as the epitome of governmental abuse, gross negligence and a complete mockery of justice.¹² Havasu requested that the ALJ postpone this hearing until the Federal Court resolves the easement issue.¹³ Havasu requested that the ALJ assign this case to

§115. "Except as otherwise provided by law, the burden of proof requires proof by a preponderance of the evidence."

⁹ Preliminary Scoping Memo at 1.

¹⁰ *Id.*

¹¹ Havasu Response dated October 9, 2025 at 1.

¹² *Id.* at 2.

¹³ *Id.* Havasu is referring to *Chemehuevi Indian Tribe v. Havasu Water Co. et al.*, No. EDCV 20-471-GW-KKx. Here, in Federal Court, Havasu is disputing that an easement for a supply line across Chemehuevi Indian Tribe (CIT) expired in 2006. A Federal Court ruled that Havasu is

Footnote continued on next page.

Alternative Dispute Resolution and or modify the proceeding schedule to allow Havasu more time to prepare a defense.¹⁴ Havasu contends that it cannot be afforded due process in a six-month proceeding schedule.¹⁵ The issues in this proceeding are set forth below.

6. Issues

1. CPED seeks authority to petition for receivership in Superior Court for Havasu. CPED bases its request on Havasu's well-documented history of noncompliance and unresponsiveness at the Federal, State and County levels, together with the public health and safety risks and mismanagement.
2. CPED alleges that on or about October 11, 2024, Havasu violated Public Utilities Code (Pub. Util. Code) § 2713(a) and GO 103-A when it failed to provide all records of its inspection, repair and replacement of all its fire hydrants in its service area.
3. CPED alleges that on or about March 2025 to present, Havasu violated Pub. Util. Code § 454 and Tariffs 12(b) and 12(c) when it changed the water meters of its customers without Commission approval.
4. CPED alleges that Havasu has violated Rule 1.1 on: 1) May 8 and 12, 2025, in correspondences to the WD; 2) December 8, 2023, in an Advice Letter filed to WD; 3) October 11, 2024, when it failed to provide data pursuant to a data request; and 4) April 8, 2025, when it failed to abide by an order pursuant to D.24-03-053.

trespassing on CIT tribal lands because the easement terms have not been re-negotiated and granted CIT's motion for ejectment of Havasu's infrastructure on CIT's land.

¹⁴ Havasu Response dated October 17, 2025 at 4.

¹⁵ *Id* at 4-5.

5. CPED requests that additional penalties be imposed on Havasu for violations of the above issues.

7. Petition for Receivership

Whenever the Commission determines, after notice and hearing, that any water or sewer system corporation is 1) is unresponsive to the rules or orders of the Commission, 2) is unable or unwilling to adequately serve its ratepayers, or 3) has been actually or effectively abandoned by its owners, the Commission may petition the Superior Court for the county within which the corporation has its principal office or place of business for the appointment of a receiver to assume possession of its property and to operate its system upon such terms and conditions as the Superior Court shall prescribe.¹⁶

CPED must prove by a preponderance of the evidence that Havasu meets one or more of these conditions. CPED has presented evidence that Havasu has been unresponsive to the rules or orders of the Commission and other agencies and that Havasu is unable or unwilling to adequately serve its ratepayers. The evidence that CPED has offered is discussed in the following sections.

7.1. Federal – U.S. Environmental Protection Agency (EPA) Safe Drinking Water Act (SDWA)

The SDWA was originally passed by Congress in 1974 to protect public health and safety by regulating the nation's public drinking water supply.¹⁷ The SDWA was amended in 1986 and 1996 and requires many actions to protect drinking water and its sources which includes rivers, lakes, reservoirs, springs

¹⁶ Pub. Util. Code § 1826.

¹⁷ The EPA's website is currently located at: <https://www.epa.gov/sdwa/overview-safe-drinking-water-act>

and ground water wells.¹⁸ SDWA authorizes the EPA to set national health-based standards for drinking water to protect against both naturally occurring and man-made contaminants that may be found in drinking water.¹⁹

The EPA has primary enforcement responsibility for the SDWA public water system supervision program.²⁰ The State Water Resource Control Board's (SWRCB), Division of Drinking Water (DDW) previously asserted primary enforcement responsibility over Havasu.²¹ On January 1, 2024, DDW officially transferred oversight of Havasu to the EPA.²²

7.1.1. From January 2024 to Present, Havasu Violated GO 103-A (II)(2)(A)(2) When It Failed to Comply with Federal Laws Pertaining to Water Quality and Havasu Has Been Noncompliant and Unresponsive to EPA Oversight

CPED alleges that from January 2024 to present, Havasu violated various provisions of GO 103-A. GO 103-A contains the rules for governing water service, including minimum standards for operation, maintenance, design and construction.²³

GO 103-A (II)(2)(A)(2) states that:

The utility shall comply with applicable state and federal laws pertaining to water quality, and with related regulations of the Department and US EPA and all additional requirements of the

¹⁸ Id.

¹⁹ Id.

²⁰ Exhibit 2, Attachment 16 at 1.

²¹ Id.

²² Exhibit 2, Staff Report at 10.

²³ GO 103-A effective September 10, 2009 at 1.

Commission.

As evidence of Havasu's failure to comply with federal laws (SDWA) pertaining to water quality, CPED offers one inspection notice, two emergency administrative orders (EAO) and six noncompliance notices.²⁴ A summary of the inspection notice, two EAOs and six noncompliance notices are provided below:

- EPA Inspection Notice to Havasu dated January 30, 2024.²⁵ The EPA inspector identified seven deficiencies which are of significant health risk to the system and the people served by the system during the inspections.²⁶ These deficiencies have been deemed significant and are of the greatest health threat.²⁷ Under the SDWA's Long Term 2 Enhanced Surface Water Treatment Rule, significant deficiencies are defined to include defects in design, operation, or maintenance, or a failure or malfunction of the sources, treatment, storage or distribution system that EPA determines to be causing, or have potential for causing, the introduction of contamination into the water delivered to consumers.²⁸ The seven deficiencies included: 1) lack of written procedures for treatment plant operations; 2) overflow screen mesh too coarse; 3) lack of on-site certified operators; 4) unknown point of chlorine injection; 5) backwash pump not secured; 6) unsafe storage of polymer; and 7) treatment plant instruments are uncalibrated.

²⁴ Exhibit 1, Attachment 4 at 1, CPED offered 30 documents from the EPA that are numbered.

²⁵ Exhibit 1, Attachment 4, at page 169.

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.*

- EPA EAO dated May 28, 2024.²⁹ The EPA notified Havasu of six deficiencies that placed the customers of Havasu at health risk.³⁰ The deficiencies included: 1) exceedance of the total trihalomethanes mcl; 2) failure to meet qualified personnel/operator requirements; 3) failure to monitor as required by the surface water treatment rule; 4) failure to correct significant deficiencies (referring to the seven deficiencies found in the January 30, 2024, EPA inspection letter); 5) failure to meet public notification requirements; and 6) failure to submit a consumer confidence report.³¹ The EPA ordered Havasu to comply within 60 days.³²
- After issuance of the May 28, 2024, EAO, the EPA issued four noncompliance notices to Havasu for failure to comply with the May 28, 2024, EAO. The four noncompliance notices were sent on:
 - o June 14, 2024;³³
 - o June 28, 2024;³⁴
 - o August 7, 2024;³⁵
 - o October 22, 2024;³⁶
 - o February 6, 2025;³⁷ and

²⁹ Exhibit 1, Attachment 4, Document 1 at 1.

³⁰ Id. at 4.

³¹ Id. at 4–15.

³² Id. at 16.

³³ Exhibit 1, Attachment 4 at 99. This attachment is not listed but is found on page 99 of Attachment 4

³⁴ Exhibit 1, Attachment 4, Document 5 at 1.

³⁵ Exhibit 1, Attachment 4, Document 7 at 1.

³⁶ Exhibit 1, Attachment 4, Document 6 at 1.

³⁷ Exhibit 1, Attachment 4, Document 13 at 1.

- o July 23, 2025.³⁸
- EAO No. 2 dated November 6, 2024.³⁹ The EPA notified Havasu of two additional deficiencies that placed the customers of Havasu at health risk.⁴⁰ The deficiencies included: 1) loss of pressure in drinking water distribution system and 2) use of unqualified personnel to operate the system.⁴¹ The EPA ordered Havasu to comply within 24 hours.⁴²
- After issuance of the November 6, 2024, EAO No. 2, the EPA issued two additional noncompliance notices on February 6, 2025⁴³ and July 23, 2025.⁴⁴

On December 12, 2025, the assigned ALJ granted official notice to CPED's Exhibit 1, Attachment 4 under Rule 13.6 and Evidence Code 452.⁴⁵ Havasu asserts that the Commission does not have jurisdiction over Havasu's EPA violations, we agree. Havasu's EPA violations will be handled by the EPA. However, Havasu is incorrect that the EPA violations are not relevant to this proceeding.

³⁸ Exhibit 1, Attachment 4, Document 12 at 1.

³⁹ Exhibit 1, Attachment 4, Document 1 at 1.

⁴⁰ *Id.* at 4-5.

⁴¹ *Id.*

⁴² *Id.* at 5.

⁴³ Exhibit 1, Attachment 4, Document 13 at 1.

⁴⁴ Exhibit 1, Attachment 4, Document 26 at 1.

⁴⁵ Exhibit 1, Attachment 4 refers to the U.S. EPA letters, EAOs and noncompliance notices that were sent to Havasu from 2023 to 2025.

GO 103-A (II)(2)(A)(2) requires Havasu to comply with federal law, including the EPA's SDWA. Evidence offered by CPED demonstrates that Havasu has been in violation of the SDWA since January 2024.

In January 2024, when the EPA assumed primary enforcement responsibility, the EPA immediately cited Havasu for seven deficiencies. Subsequently, on May 28, 2024, the EPA issued an EAO due to the public health and safety risks posed by Havasu's actions. The EPA subsequently issued four separate noncompliance citations for failure to comply with the May 2024, EAO. Havasu's conduct reflects a consistent pattern of noncompliance and unresponsiveness to EPA directives.

In November 2024, the EPA was compelled to issue a second EAO (EAO No. 2) after identifying two additional deficiencies. Havasu failed to address the deficiencies in EAO No. 2 resulting in two further noncompliance notices.

Havasu has failed to offer any evidence or testimony in defense of its position that it did not violate the SDWA or that it had cured all of the violations it was cited for by the EPA. As such, it is determined that Havasu violated GO 103-A (II)(2)(A)(2) when it failed to comply with the SDWA from January 2024 to present while incurring two emergency administrative orders and six noncompliance notices.

7.1.2. From January 2024 to Present, Havasu Violated GO 103-A (II)(2)(A)(1) When It Was Required by the EPA to Issue Boil Water Notices to its Customers Thereby Causing a Public Health and Safety Risk

CPED alleges that from January 2024 to present, Havasu violated GO 103-A (II)(2)(A)(1) when it received five boiling water notices (BWN) from the EPA.

GO 103-A (II)(2)(A)(1) states that:

Any utility serving water for human consumption shall provide water that is not harmful or dangerous to health and, insofar as practicable, free from objectionable odors, taste, color and turbidity.

A boiling water notice is ordered by the EPA and issued by Havasu.⁴⁶ A boil water notice informs the customers that the utility does not recommend that customers drink the water without boiling it first and letting it sit for one minute.⁴⁷ In addition, the boil water notice informs the customers that boiled water should be used for drinking, making ice, brushing teeth, washing dishes and food preparation.⁴⁸ The boil water notice cautions that inadequately treated water may contain disease-causing organisms such as viruses and parasites which may cause nausea, cramps, diarrhea and associated headaches.⁴⁹

As evidence of Havasu's violations, CPED offers five BWNs the EPA ordered Havasu to issue on:

- February 8, 2024;⁵⁰
- March 8, 2024;⁵¹
- March 21, 2024;⁵²
- September 24, 2024;⁵³ and

⁴⁶ Exhibit 1, Attachment 26 at 1.

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ Exhibit 1, Attachment 4, Document 22 at 1.

⁵¹ Exhibit 1, Attachment 4, Document 21 at 1.

⁵² Exhibit 1, Attachment 4, Document 18 at 1.

⁵³ Exhibit 1, Attachment 4, Document 29 at 1.

- November 4, 2024.⁵⁴

The evidence establishes that on five occasions, the EPA determined that Havasu's water quality was so dire that it ordered Havasu to issue BWNs. When the EPA directed Havasu to issue a BWN, it did so to expressly protect the public from potential public health and safety risks. Here, the EPA required Havasu to issue five BWNs within the span of a single year. The number and frequency of the BWN's is a clear indication that the water quality supplied by Havasu posed a significant risk to the public health and safety of its customers.

Havasu failed to offer any evidence or testimony in defense of its position that it cured all of the violations it was cited for by the EPA. As such, it is determined that Havasu violated GO 103-A (II)(2)(A)(1) when it was ordered by the EPA to issue five BWNs to its customers to protect them from the potential public health and safety risks associated with the water quality that Havasu provides.

7.2. State – California State Water Resources Control Board, Division of Drinking Water

The California State Water Resources Control Board protects water quality and allocates surface water rights.⁵⁵ In addition, the DDW enforces the SDWA by issuing permits and monitoring water quality.⁵⁶ DDW had primary enforcement of the SDWA over Havasu until January 2024.⁵⁷

⁵⁴ Exhibit 1, Attachment 4, Document 16 at 1.

⁵⁵ The State Water Resources Control Board's website is located at: https://www.waterboards.ca.gov/about_us/

⁵⁶ *Id.*

⁵⁷ Exhibit 2, Attachment 14 at 1.

7.2.1. From March 2022 to December 2023, Havasu Violated GO 103-A (II)(1)(B) When It Experienced a Systemwide Water Outage and Havasu Has Been Noncompliant and Unresponsive to DDW Oversight

CPED alleges that Havasu violated GO 103-A (II)(1)(B) when it suffered a systemwide water outage from March 21, 2022 through March 26, 2022 due to a power outage caused by Southern California Edison Company.⁵⁸

GO 103-A (II)(1)(B) states that:

Each water utility shall ensure that it complies with the Department's permit requirements and all applicable drinking water regulations.

As evidence of Havasu failure to comply with state rules, CPED offers two compliance orders and eight noncompliance citations. A summary of the compliance orders and noncompliance citations are provided below:

- Compliance Order No. 05-13-22R-001 (CO) dated March 29, 2022.⁵⁹ Required Havasu to take actions immediately on fifteen directives by specific dates regarding water treatment, water supply, obtaining certified operators, installing backup generators, remove or repairing cross connections and providing reports.⁶⁰
- After issuance of the March 29, 2022, CO, DDW issued three noncompliance citations to Havasu for failure to comply with the CO. The three noncompliance citations were sent on:
 - o May 6, 2022;⁶¹

⁵⁸ Exhibit 2, Attachment 6 at 7-8.

⁵⁹ Exhibit 2, Attachment 6.

⁶⁰ Id at 11-13.

⁶¹ Exhibit 2, Attachment 7.

- o July 28, 2022;⁶² and
 - o August 4, 2022.⁶³
- Compliance Order No. 05-13-22R-002 dated September 14, 2022 (CO No. 2).⁶⁴ Required Havasu to act immediately on four directives by specific dates regarding on-site inspections, providing DDW documentation and complying with previous directives.⁶⁵
- After issuance of the March 29, 2022, CO No. 2, DDW issued five noncompliance citations to Havasu for failure to comply with CO No. 2. The five noncompliance citations were sent on:
 - o February 8, 2023;⁶⁶
 - o June 12, 2023;⁶⁷
 - o June 12, 2023 (two notices were sent on this date);⁶⁸ and
 - o August 23, 2023.⁶⁹
- Citation No. 05-13-23C-005 dated December 4, 2023,⁷⁰ which required Havasu to submit a preliminary study report for compliance with the running annual average for the total trihalomethanes (TTHM) maximum containment level (MCL) by October 31, 2023.

⁶² Exhibit 2, Attachment 8.

⁶³ Exhibit 2, Attachment 9.

⁶⁴ Exhibit 2, Attachment 10

⁶⁵ *Id.* at 6-7.

⁶⁶ Exhibit 2, Attachment 11.

⁶⁷ Exhibit 2, Attachment 12.

⁶⁸ Exhibit 2, Staff Report at 5.

⁶⁹ Exhibit 2, Attachment 14.

⁷⁰ Exhibit 2, Attachment 15.

The evidence establishes that Havasu has failed to comply with the drinking water standards mandated by DDW. From March 2022 through December 2023, Havasu received two compliance orders and eight noncompliance citations for violations of DDW regulations. These citations and violations and Havasu's failure to address and/or correct the issues contained therein are consistent with Havasu's longstanding history of noncompliance with DDW's water quality standards and its repeated failure to respond adequately to compliance directives and noncompliance notices. Havasu's continued disregard for regulatory requirements constitutes a violation and presents a danger to the public health and safety of its customers.

Havasu failed to offer any evidence or testimony in defense of its position that it cured all of the violations it was cited for by DDW. As such, it is determined that from March 2022 through December 2023, Havasu violated GO 103-A (II)(1)(B) when it continued to place its customers health in jeopardy by violating the DDW's drinking water standards.

7.2.2. From March 2022 to December 2023, Havasu Violated GO 103-A (III)(8)(B), (II)(3)(A)(1), (II)(2)(A)(3) and California Code of Regulations (CCR), Title 22, Section 64413.5 When it Experienced a Systemwide Water Outage and Havasu was Unable or Unwilling to Adequately Serve its Customers

7.2.2.1. Backup Generators

CPED alleges that during the period of March 21, 2022 through March 29, 2022, Havasu violated GO 103A (III)(8)(B) when its backup generator was inoperable during a power outage.⁷¹

GO 103A (III)(8)(B) Reliability of Water Facilities states that:

All other critical equipment not addressed above shall have adequate redundancy and reliability, including fixed or portable backup power, incorporated as determined by the utility and approved by the Commission to meet the requirements of this General Order.

On March 22, 2022, DDW conducted a sanitary survey of Havasu and found the system in a state of extreme disrepair and observed several potential cross connection hazards.⁷²

At the hearing, Havasu claimed that it had a new backup generator but did not provide any testimony or evidence to support this contention.⁷³

The evidence establishes that on March 21, 2022 through March 29, 2022, the water outage experienced by Havasu was exacerbated by the failure of its backup generator to operate properly during the power outage. Havasu bears the responsibility to maintain an adequate, redundant and reliable backup

⁷¹ Exhibit 2, Staff Report at 5.

⁷² *Id.*

⁷³ Reporter's Transcript (RT) at 75.

generator to ensure the continuity of water service in the event of a primary power failure.

Havasu failed to offer any evidence or testimony in defense of its position that it installed a new backup generator at its facility. As such, it is determined that by failing to provide adequate, redundant and reliable backup generator capacity, Havasu violated Pub. Util. Code § 451, which requires public utilities to furnish and maintain adequate, efficient, just and reasonable service and GO 103-A (III)(8)(B), which mandates the provision of reliable backup facilities.

7.2.2.2. Alternative Source of Water

CPED alleges that during the period of March 21, 2022 through March 29, 2022, Havasu violated GO 103A (II)(3)(A)(1) when it failed to provide an alternate source of water to its customers.

GO 103A (II)(3)(A)(1) states that:

Each utility shall make all reasonable efforts to prevent interruptions to service and when such interruptions occur, shall reestablish service with the shortest possible delay consistent with the safety of its customers, its employees, and the general public.

According to DDW Compliance Order, Havasu was instructed to obtain an alternate source of water for its customers, whether it be water haulers or bottled water.⁷⁴ Havasu informed the DDW that it did not have the finances to afford hauled water even if reimbursement was an option.⁷⁵

⁷⁴ Exhibit 2, Attachment 6 at 9.

⁷⁵ *Id.*

On March 24, 2022, bottled water was provided to Havasu customers by the San Bernardino County Office of Emergency Services.⁷⁶

Havasu failed to offer any evidence or testimony in defense of its position that between March 21, 2022 through March 29, 2022, it provided an alternate source of water to its customers. As such, it is determined that Havasu violated GO 103-A (II)(3)(A)(1) when it failed to provide its customers an alternate source of water during the water outage.

7.2.2.3. Providing Notice to the Commission

CPED alleges that Havasu violated GO 103A (II)(2)(A)(3) when it failed to notify the CPUC when it experienced a water outage on March 21, 2022 through March 29, 2022.

GO 103A (II)(2)(A)(3) states that:

If the Department or US EPA finds a utility to be out of compliance with the water quality regulations specified in section II.2.A(2), the utility shall promptly notify the Commission, by telephone or e-mail, with confirmation in writing. Any report submitted to the Department or US EPA in such circumstances shall be submitted concurrently to the Commission.

The evidence establishes that on March 23, 2022, DDW contacted WD by email and notified WD that Havasu was experiencing a water outage.⁷⁷

According to WD, it was never notified of the water outage by Havasu.⁷⁸

Havasu failed to offer any evidence or testimony in defense of its position that it provided notice to the Commission of the water outage it experienced on

⁷⁶ Id.

⁷⁷ Exhibit 2, Attachment 22 at 1.

⁷⁸ Id.

March 21, 2022 through March 29, 2022. As such, it is determined that Havasu violated GO 103A (II)(2)(A)(3) when it failed to notify the WD of the water outage that occurred between March 21, 2022 through March 29, 2022.

7.2.2.4. Certified Operators

CPED alleges that from March 21, 2022 through March 29, 2022, Havasu violated California Code of Regulation (CCR), Title 22, section 64413.5 when it failed to have certified operators at its facility.⁷⁹

CCR, Title 22, section 64413.5 states that:

- a. Each water supplier shall designate at least one chief operator that meets the requirements specified in section 63765 for each water treatment facility utilized by the water system.
- b. Each water supplier shall designate at least one shift operator that meets the requirements specified in section 63765 for each water treatment facility utilized by the water system for each operating shift.
- c. Except as provided in (d), a chief operator or shift operator shall be on-site at all times that the facility is operating.
- d. If the water supplier's operations plan, submitted and approved pursuant to section 64661, demonstrates an equal degree of operational oversight and reliability with either unmanned operation or operation under reduced operator certification requirements, the chief operator or shift operator is not required to be on-site, but shall be able to be contacted within one hour.

As evidence, CPED cited a DDW Compliance Order which indicated that Louie Richhart, an uncertified operator was running the Havasu system on

⁷⁹ Exhibit 2, Attachment 6 at 8.

March 21, 2025.⁸⁰ According to the DDW Compliance Order, Richhart refused to continue to work for Havasu after the water outage.⁸¹ Havasu's previous certified operators resigned on December 31, 2021 and March 4, 2022, respectively.⁸² CPED claims that Havasu has been operating without certified operators since March 4, 2022.⁸³

According to the DDW, Havasu was cited for failing to demonstrate that it hired certified operators and for failing to submit a corrective action plan and weekly monitoring reports as required.⁸⁴ As a result, Havasu was assessed a penalty of \$3,000 which remains unpaid.⁸⁵

The evidence establishes that certified operators are required to run Havasu water system and that during the period of March 5, 2022 through March 29, 2022, Havasu did not have any certified operators.

Havasu failed to offer any evidence or testimony in defense of its position that it had the required number of certified operators at its facility during the period of March 21, 2022 through March 29, 2022. As such, it is determined that Havasu violated CCR, Title 22, section 64413.5 when it failed to have the required certified operators at its facility.

⁸⁰ Exhibit 2, Staff Report at 5, 17.

⁸¹ *Id.*

⁸² *Id.*

⁸³ *Id.*

⁸⁴ Exhibit 2, Staff Report at 7.

⁸⁵ *Id.*

7.3. State - California Public Utilities Commission, Water Division (WD)

WD is a division of the Commission. The WD regulates California's investor-owned water utilities ensuring that water utilities deliver clean, safe and reliable water to their customers at reasonable rates.⁸⁶ WD investigates water service quality issues and analyzes and processes utility rate change requests.⁸⁷

7.3.1. WD Oversight of Havasu Under Pub. Util. Code § 702 from March 2022 to May 2025 - Havasu Was Non-Compliant and Unresponsive to WD Oversight

CPED alleges that Havasu violated Pub. Util. Code § 702 when it failed to comply with WD's notices of violations (NOV), compliance directives, and cease and desist orders.

Pub. Util. Code § 702 states that:

Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility and shall do everything necessary or proper to secure compliance therewith by all of its officers, agents, and employees.

As evidence of Havasu violation of Pub. Util. Code § 702, CPED offered seven NOVs, two citations and a cease and desist order which are summarized below:

⁸⁶ The CPUC's website discussing Water Division is located at : <https://www.cpuc.ca.gov/about-cpuc/divisions/water-division>

⁸⁷ The Water Division's website is located at: <https://www.cpuc.ca.gov/industries-and-topics/water>

- WD NOV dated April 1, 2022.⁸⁸ WD ordered Havasu to comply with fifteen directives to bring Havasu back into compliance.⁸⁹ The directives included: meeting a minimum of 20 pressure square inch (psi) at all times; providing an alternative water source to customers; obtain certified operators; complying with drinking water standards; providing Do Not Drink Notices; submitting weekly reports; have an operable backup generator; removing or repairing all cross connections; preparing a corrective action plan; monthly reports and completing a notice of receipt of these directives.⁹⁰
- WD NOV dated July 26, 2022.⁹¹ WD informed Havasu that it did not comply with its April 1, 2022 NOV.⁹² WD ordered Havasu to comply with four directives to bring Havasu back into compliance.⁹³ The directives included: submitting a revised and approved correction action plan; repairing the water main leak and resolve all low water pressures in the Havasu distribution system; obtain certified operators; and repair or remove potential cross connection hazards.⁹⁴
- WD Citation No. W.22-09-001 dated September 16, 2022.⁹⁵ WD issued a citation to Havasu for failing to comply with

⁸⁸ Exhibit 2, Attachment 21.

⁸⁹ *Id.* at 1-3.

⁹⁰ *Id.*

⁹¹ Exhibit 2, Attachment 24.

⁹² *Id.* at 4.

⁹³ *Id.*

⁹⁴ *Id.*

⁹⁵ Exhibit 2, Attachment 25.

the DDW's July 26, 2022 NOV.⁹⁶ Havasu was issued a \$2,000.00 penalty.⁹⁷

- WD NOV dated November 21, 2022.⁹⁸ WD issued an NOV directing Havasu to correct its tariffs to comply with tariff rule revisions required by Senate Bill 998 and GO 96-B.⁹⁹ Havasu was given 10 business days from date of issuance of the NOV to revise their tariffs.¹⁰⁰
- WD NOV dated March 7, 2025.¹⁰¹ WD issued an NOV informing Havasu that it was in violation of Pub. Util. Code §451 and GO 103-A for the following reasons: 1) failing to furnish and maintain safe and reliability water service to its customers and the public; 2) failing to comply with the water quality standards of the EPA's SDWA; 3) failing to have a certified operator for its water distribution and treatment systems; 4) failure to notify the Commission of the noncompliance identified by the EPA; and 5) failure to comply with the EPA's public notification requirements.¹⁰² Havasu was ordered to comply with the following directives: 1) correct all remaining significant deficiencies as specified in SDWA-09-2024-008; and procure a certified operators for its water distribution and treatment systems.¹⁰³

⁹⁶ Id. at 1.

⁹⁷ Id.

⁹⁸ Exhibit 2, Attachment 27.

⁹⁹ Id. at 1.

¹⁰⁰ Id.

¹⁰¹ Exhibit 2, Attachment 29.

¹⁰² Id. at 1.

¹⁰³ Id at 3.

- WD NOV dated October 4, 2024.¹⁰⁴ WD issued an NOV informing Havasu it was in violation of Pub. Util. Code § 451 and GO 103-A.¹⁰⁵ In addition, Havasu was ordered to comply with the following directives: 1) inspect all fire hydrants; 2) conduct repairs and replacements as needed to ensure all fire hydrants in the Havasu service area are operable; 3) provide to WD a record of all inspections, repairs and replacement performed by Havasu for all fire hydrants in its service area; and provide all documents pertaining to WD October 11, 2024 data request.¹⁰⁶
- WD NOV dated March 7, 2025.¹⁰⁷ WD informed Havasu that it was in violation of Pub. Util. Code § 451 and GO-103-A for failing to maintain fire hydrant service in its service area.¹⁰⁸ Havasu was directed to comply with the directives from the October 4, 2024 NOV.¹⁰⁹
- WD Cease and Desist Order dated May 9, 2025.¹¹⁰ WD ordering Havasu to cease and desist replacement of all 5/8 x 3/4" meters consistent with Resolution (Res.) M-4846 and pursuant to Pub. Util. Code §§ 454 and 701.¹¹¹

¹⁰⁴ Exhibit 2, Attachment 34.

¹⁰⁵ *Id.* at 3.

¹⁰⁶ *Id.*

¹⁰⁷ Exhibit 2, Attachment 41.

¹⁰⁸ *Id.*

¹⁰⁹ *Id.*

¹¹⁰ Exhibit 2, Attachment 25.

¹¹¹ *Id.*

- WD Citation No. W.25-05-001 dated May 12, 2025.¹¹² WD issued a citation to Havasu for failing to comply with the WD March 7, 2025 NOV.¹¹³
- WD NOV dated May 14, 2025. WD informing Havasu that it violated Pub. Util. Code § 454 for failing to comply with the May 9, 2025 Cease and Desist Order.¹¹⁴ Havasu was directed to comply with the Cease and Desist Order within 24 hours of issuance of this NOV or be fined a penalty up to \$100,000.¹¹⁵

The facts in evidence establish that Havasu has been in continuous violation of Pub. Util. Code § 702 during the period from March 2022 through March 2025. Within this timeframe, Havasu has been issued seven NOVs, two citations, and a cease and desist order by WD.

Havasus's repeated noncompliance with WD's regulatory authority constitutes a breach of its legal obligations. Moreover, Havasus's actions present a threat to the public health and safety of its customers.

Havasus failed to offer any evidence or testimony in defense of its position that it cured all of the violations cited by WD. As such, it is determined that Havasu violated Pub. Util. Code § 702 when it failed to comply with the orders, directives and rules of WD from March 2022 through May 2025

¹¹² Exhibit 2, Attachment 35.

¹¹³ Id. at 1.

¹¹⁴ Exhibit 2, Attachment 45.

¹¹⁵ Id. at 1.

7.3.2. In October 2024, Havasu Violated Pub. Util. Code § 702 When It Failed to Respond to a Data Request by WD but Havasu Did Not Violate Pub. Util. Code § 702 for Data Requests in September 2025

CPED alleges that Havasu violated Pub. Util. Code § 702 when it failed to respond to two data requests one from WD and one from CPED.

Pub. Util. Code § 702 states that:

Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility and shall do everything necessary or proper to secure compliance therewith by all of its officers, agents, and employees.

As evidence, CPED filed the following data requests:

- October 11, 2024 data request.¹¹⁶ An email from W. Tsai from WD to Havasu. Tsai references an attached data request.¹¹⁷ Havasu acknowledges receipt of the data request and informs W. Tsai that Havasu is awaiting further information from SBCFD and will provide further information upon receipt.¹¹⁸
- September 22, 2025 data request.¹¹⁹ A letter from CPED to Havasu.¹²⁰ CPED requested the following information: 1) Havasu's most recent Uniform Fire Hydrant Safety Agreements (UFHSA) with SBCFD; 2) all records of maintenance performed by SBCFD on fire hydrants in

¹¹⁶ Exhibit 2, Attachment 32.

¹¹⁷ Id. at 1.

¹¹⁸ Id.

¹¹⁹ Exhibit 1, Attachment 1.

¹²⁰ Id. at 1.

Havasu’ service area; 3) monthly reports submitted to DDW and EPA; 4) all General Rate Cases (GRC) submitted by Havasu pertaining to compensation of fire hydrant capital expenditures and maintenance costs; 5) All Commission decisions and final orders related to GRCs denying Havasu compensation for fire hydrant capital expenditures and maintenance costs; 6) all records of Havasu’s correspondence with SBCFD in the past 10 years regarding fire hydrant maintenance; and 7) all records responsive to WD October 11, 2024 data request.¹²¹

The evidence establishes that WD and CPED made two data requests on the following dates: October 11, 2024 and September 22, 2025. On October 11, 2024, Havasu responded to WD’s data request. In the response Havasu stated that it was “awaiting further information from SBCFD and will provide further information upon receipt”.¹²² It is determined that Havasu never provided WD with the information from SBCFD. This is based on the fact that WD sent a data request for the same SBCFD information on September 22, 2025.¹²³

Havasu failed to offer any evidence or testimony in defense of its position that it had contacted SBCFD and was awaiting documentation. As such, it is determined that Havasu violated Pub. Util. Code § 702 when it failed to provide WD the data requested in the October 11, 2024 data request.

As noted, *supra*, on September 22, 2025, CPED served a data request upon Havasu. As this data request was issued during this proceeding, it is considered a discovery request. Havasu timely objected to the September 22 discovery

¹²¹ Id. at 4.

¹²² Exhibit 2, Attachment 33 at 1.

¹²³ Exhibit 1, Attachments 1 and 6 at 1.

request. Following Havasu's objections, the correct course of legal action was for CPED to either file a motion to compel or request a ruling, thereby permitting the assigned ALJ an opportunity to issue a ruling on the disputed discovery. Had Havasu failed to comply with the assigned ALJ's order, then a Rule 1.1 violation would have occurred. Here, CPED failed to follow the correct administrative/legal procedure.

As such, Havasu did not violate Pub. Util. Code § 702 when it did not respond to CPED's September 22, 2025 data request because discovery requests that are not complied with must be brought to the attention of the assigned ALJ through either a motion to compel or request a ruling that was not done here.

7.3.3. On April 8, 2024, Havasu Violated Pub. Util. Code § 702 When It Failed to Comply with Commission D.24-03-053

CPED alleges that Havasu violated Pub. Util. Code § 702 when it failed to comply with D.24-03-053 by rebilling its customers on April 8, 2024.¹²⁴

Pub. Util. Code § 702 states that:

Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility and shall do everything necessary or proper to secure compliance therewith by all of its officers, agents, and employees.

D.24-03-053 concerns Gary Chamberlin, Charles Ramsden and Susan Wilson (Complainants) who allege that Havasu erred in calculating their water bills while not providing water and charged them unwarranted penalties and

¹²⁴ Exhibit 2, Staff Report at 30.

late fees.¹²⁵ In D.24-03-053, the assigned ALJ ordered Havasu to remove all late fees from Complainants' bills from 2021 forward.¹²⁶

On or about April 8, 2024, Havasu issued Gary Chamberlin a bill which included late fees from 2021 forward.¹²⁷ The bill shows the following:¹²⁸

Date	Description	Amount
3/28/24	Previous Balance	\$198.70
4/8/24	Late Charge	\$475.00
4/8/24	Previous Balance	\$1,940.02
	Total	\$2,613.72

On June 3, 2024, the assigned ALJ, in C.23-02-009, issued a cease and desist ruling/order to show cause as to why Havasu should not be sanctioned for its actions towards the Complainants in seeking reimbursement for bill already adjudicated as unearned between March 2022 and March 2023.¹²⁹

¹²⁵ D.24-03-053 at 1.

¹²⁶ Id. at 14. "On its own volition, Havasu decided to remove all late fees associated with the Complainants submitted payments to CPUC impounds."

¹²⁷ C.23-02-009, Rehearing Request, Exhibit 1 at 1.

¹²⁸ Id. at 1.

¹²⁹ C.23-02-009, Cease and Desist Ruling at 6 – 7.

The evidence establishes that the Commission in C.23-02-009 ordered Havasu to remove all late fees from the Complainants' bills from 2021 forward.¹³⁰ Havasu itself supported the removal of such late fees during the proceeding.¹³¹

Despite the clear order set forth in D.24-03-053, on April 8, 2024, Havasu failed to comply with the Commission's order in D.24-03-053 by rebilling the Complainants for late fees from 2021 forward.¹³² In its Rehearing Request, Havasu admits that it intentionally rebilled the Complainants for these late fees.¹³³

The Commission's order in D.24-03-053 represents a final judgement on all issues related to C.23-02-009.¹³⁴ Accordingly, Havasu is not entitled to recover any late fees from the Complainants, and its attempt to do so represents a violation of the Commission's binding order in D.24-03-053.

Havasu failed to offer any evidence or testimony in defense of its position that it complied with the orders in D.24-03-053. As such, it is determined that Havasu violated Pub. Util. Code § 702 when it did not comply with D.24-03-053, Ordering Paragraph 1, which states that Havasu shall remove all late fees from the Complainants bills from 2021 forward.

¹³⁰ D.24-03-053 at 14.

¹³¹ *Id.* at 10.

¹³² C.23-02-009, Rehearing Request, Exhibit 1 at 1.

¹³³ C.23-02-009, Rehearing Request at 2.

¹³⁴ C.23-02-009, Cease and Desist Ruling at 6.

7.4. County – San Bernardino County Department of Public Works (SBCPW)

The Operations and Maintenance Division (O&M) is a division of SBCPW. The O&M is responsible for maintaining the upkeep of city owned property such as roads, sidewalks, trees, parkways, medians, maintenance boxes, storm drains, street signs, traffic signals, weed abatement and public parks.¹³⁵ O&M repairs potholes, removes downed trees and performs cleanup after major storms and public areas where flooding has occurred.¹³⁶

7.4.1. From January 2021 through February 2023, Havasu Violated GO 103-A (II)(C)(3) When It Failed to Comply with SBCPW Safety Standards and Ordinances - Havasu Was Non-Compliant and Unresponsive to SBCPW thereby Causing a Public Health and Safety Risk

CPED alleges that from January 2021 through February 2023, Havasu violated GO 103-A (II)(C)(3) when on at least ten incidents, Havasu's repair work in the public right of way located in San Bernardino County was defective or incomplete.

GO 103-A (II)(C)(3) states that:

All repairs associated with a utility's water and wastewater system shall include, as a minimum: ground surface shall be repaired to at least its original condition.

¹³⁵ San Bernardino County Public Works webpage is located at:
<https://www.sanbernardino.gov/614/PublicWorks#:~:text=Our%20O%26M%20team%20is%20responsible,weed%20abatement%2C%20and%20public%20parks.>

¹³⁶ Id.

As evidence, CPED filed documents from SBCPW which included: notice of unpermitted work; repeated violations of ordinances, permitting requirements violations and a franchise agreement by SBCPW (Notice).¹³⁷ In the Notice, SBCPW states that it verbally notified Havasu of at least ten incidents where its repair work in the public right of way was defective or incomplete.¹³⁸ According to SBCPW, Havasu failed to remedy any of these defects.¹³⁹

The Notice lists Havasu's long history of violations which includes:¹⁴⁰

- February 2023, SBCPW issued a formal notice regarding unpermitted and improper repairs, along with a requirement to apply for necessary permits.
- February 2024, SBCPW notified Havasu about debris from a malfunctioning water tank and additional improper repairs.
- March 2024, after multiple resident complaints about safety risks from Havasu's open trenches and substandard work, SBC reminded Havasu that its permit had expired.
- July 2024, due to ongoing safety concerns, SBCPW stepped in to fix Havasu's defective work and invoiced Havasu for costs incurred. Havasu rejected the invoice and falsely claimed that the SBCPW had paved over control valves.
- August 2024, SBCPW informed Havasu that all repairs must meet SBC standards and that Havasu must reapply for a permit.

¹³⁷ Exhibit 2, Attachment 65 at 2.

¹³⁸ *Id.*

¹³⁹ *Id.*

¹⁴⁰ *Id.*

Furthermore, SBCPW stated, “These are only a few examples of a much longer history of Havasu’s many violations and disregard of San Bernadino County regulations, permit requirements, notices and safety standards.”¹⁴¹

Havasu has a duty to restore the ground surface to at least its original condition following any excavation or repair work. The evidence establishes that on four separate incidents, Havasu’s repair work within the public right-of-way was defective or incomplete.

According to SBCPW, Havasu has failed to remedy any of these ten incidents to date. SBCPW’s Notice further documents a long history of noncompliance by Havasu, demonstrating a persistent disregard for its obligations under SBCPW safety standards and ordinances.

Havasu failed to offer any evidence or testimony in defense of its position that it cured all of the violations cited by SBCPW. As such, it is determined that Havasu violated GO 103-A (II)(C)(3), in four incidents, where Havasu had to perform excavation or repair work within the public right-of-way, and failed to repair the ground surface to at least its original condition.

7.5. Authorization to Petition for a Receivership for Havasu in Superior Court

The record in this proceeding supports a finding that Havasu has demonstrated a sustained pattern of Federal, State and County noncompliance, coupled with chronic unresponsiveness and mismanagement, that presents a compelling case for receivership. The purpose of a receivership is to safeguard

¹⁴¹ Id.

the public interest when an entity entrusted with critical infrastructure fails to meet its legal and operational obligations.

Havasu's persistent violations of Federal, State, and County laws, regulations, orders, directives, safety standards and ordinances undermine the integrity of Havasu's operations and erode public trust. Compliance with these laws, regulations, orders, directives, safety standards and ordinances are not optional; it is a legal mandate designed to protect public health and safety and ensure the safe delivery of water.

Havasu has demonstrated an unwillingness or inability to respond to regulatory directives, corrective actions, and orders indicates that Havasu lacks the capacity or willingness to self-correct. This failure of accountability necessitates external intervention.

Havasu's mismanagement has resulted in unsafe water quality and infrastructure failures that directly endangers the public health and safety of its customers. When such risks are recurrent and unaddressed, they rise to the level of a public emergency requiring decisive action.

Seeking a receivership provides a structured mechanism to restore compliance, stabilize operations and protect public health and safety. By placing Havasu under the control of a neutral and competent receiver, Havasu's customers are assured that corrective measures will be implemented promptly and effectively, free from the entrenched dysfunction that has characterized Havasu's current management.

As such, it is determined that given Havasu's long history of regulatory violations, disregard for oversight and mismanagement resulting in significant

public health and safety risks, receivership is not merely justified but essential. It is the only way to ensure safe, reliable water and meet Havasu's legal and ethical duties. CPED's request to seek a receivership in Superior Court is granted.

8. Resolution of K.25-06-028 - From July 2024 to August 2025, Havasu Violated Pub. Util. Code § 2713(a) and GO 103-A (VII)(2)(B) When It Failed to Properly Inspect, Repair and Replace Its Fire Hydrants in Its Service Area Thereby Causing a Public Health and Safety Risk

The amended Scoping Memo in the instant proceeding issued on October 16, 2025, under section (2) paragraph 20 states: "Should the Commission consolidate appeal K.25-06-028 and Citation Number W.25-05-001 in the OII/OSC...."¹⁴² The preliminary scoping memo and ruling issued on August 14, 2025, under section (VII) states that appeal K.25-06-028 and Citation Number W.25-01-001 are consolidated into the OII.¹⁴³ No protests or objections were filed in response to the preliminary scoping memo. As such, appeal K.25-06-028 and Citation Number W.25-05-001 have been consolidated into the OII pursuant to the assigned Administrative Law Judge' ruling.¹⁴⁴ The issues in K.25-06-028 and Citation Number W.25-05-001 will be resolved in this decision.

On May 12, 2025, WD issued Citation Number W.25-05-001, stating that Havasu violated Pub. Util. Code §2713(a) and GO 103-A, (VII)(2)(B) when it failed to properly inspect and maintain its fire hydrants.

Pub. Util. Code § 2713(a) states that:

¹⁴² Scoping memo and ruling at 6.

¹⁴³ Preliminary scoping memo at 22.

¹⁴⁴ ALJ Ruling Consolidating K.25-06-028 issued on February 5, 2026 at 1.

A water corporation shall furnish water for fire protection purposes to the extent of its means and as a condition of a certificate of public convenience and necessity, in case of fire or other great necessity, within the boundaries of the territory served by it for use within such territory.

GO 103-A (VII)(2)(B) states that:

Effective asset management helps achieve or maintain service and other business performance requirements, manage risks, and improve efficiency. To support the asset management system requirements all utilities shall conduct regular reviews of their asset management system, employing either internal or external resources, as appropriate. Utilities shall report to the Commission on any major plans to retrofit existing facilities, use of cathodic protection programs, and other efforts to minimize deterioration and extend service life. The Commission may determine whether additional third-party review of a utility's asset management plan, as a recoverable cost, is warranted.

On March 7, 2025 WD issued a NOV, and ordered Havasu to do the following: 1) inspect all fire hydrants in Havasu's service area, due date March 18, 2025 ; 2) conduct repairs and replacements as needed to ensure all fire hydrants in Havasu's service area are fully operable, due date April 1, 2025; 3) provide to WD a record of all inspections, repairs and replacements completed by Havasu for all fire hydrants in Havasu service area, due date April 1, 2025; and 4) provide all request documents and records in WD's October 11, 2024 data request, due date March 18, 2025.¹⁴⁵

On May 12, 2025, WD issued Citation No. W.25-05-001 to Havasu for failing to comply with the March 7, 2025 NOV, which included a \$10,000 penalty.¹⁴⁶ Citation No. W.25-05-001 included a description of the violations;

¹⁴⁵ Exhibit 2, Attachment 34 at 2.

¹⁴⁶ Exhibit 2, Attachment 35 at 2.

reasons for the violations; appeal sample form, appeal directions and appeal due date and citation payment form.¹⁴⁷

As evidence of fire hydrant neglect, CPED offered an email from the EPA dated July 2, 2024, which raised concerns by customers about water pressure, functionality of fire hydrants in the Havasu service territory and provided pictures of damaged fire hydrants.¹⁴⁸ On July 7, 2024, the SBCFD contacted WD to raise similar concerns about fire safety and the ability to combat fires in the area if needed.¹⁴⁹

On June 23, 2025, Havasu filed its appeal to Citation No. W.25-05-001.¹⁵⁰ In its appeal, Havasu asserts the following defenses: 1) Commission failed to provide Havasu with due process notice and opportunity to a hearing before issuance of Citation W.25-05-001; 2) Havasu was not provided an opportunity to respond to the March 12, 2025 citation; and 3) the Commission does not have any evidence that there is anything wrong with the operation of Havasu's fire hydrants or that Havasu has failed to adequately maintain fire hydrants in its service area.¹⁵¹

On July 29, 2025, CPED filed a Motion to Dismiss Havasu's Appeal and filed a Motion to Accept Late Filing of its Compliance Filing in K.25-06-028.

¹⁴⁷ Exhibit 2, Attachment 35 at 1-16.

¹⁴⁸ Exhibit 2, Attachment 30 at 1.

¹⁴⁹ Exhibit 2, Attachment 31 at 1.

¹⁵⁰ Exhibit 2, Attachment 36 at 1.

¹⁵¹ *Id.* at 3 – 11.

CPED Motion to Dismiss Havasu's Appeal is denied and CPED's Motion for Acceptance of Late Filing of its Compliance Filing is granted.

8.1. Discussion

Havasu contends that it was not provided any notice of any alleged violation of any statute, rule, order or that the Commission was contemplating before issuing a citation.¹⁵² This is not true, on March 7, 2025, WD issued an NOV ordering Havasu to comply with four directives.¹⁵³ Moreover, it is determined that Citation No. W.25-05-001 sufficiently provided Havasu with notice and an opportunity for a hearing. In addition, Havasu has provided no authority or citation that requires the Commission to give a utility prior notice to a citation. The citation is the notice of violation and the appeal is the opportunity to contest said violation.

Havasu contends that it was not provided enough time to respond to the March 7, 2025 NOV before the May 12, 2025 citation was issued.¹⁵⁴ The citation's directives had the following due dates: 1) March 18, 2025; 2) April 1, 2025; 3) April 1, 2025 and 4) March 18, 2025.¹⁵⁵ WD does not provide an explanation as to why it issued this citation only 5 days after the March 7, 2025 NOV.

Havasu would possess a persuasive argument had it produced evidence demonstrating compliance with the March 7, 2025 NOV, within the due dates provided above.

¹⁵² Id. at 3.

¹⁵³ Exhibit 2, Attachment 34 at 2.

¹⁵⁴ Id. at 3.

¹⁵⁵ Exhibit 2, Attachment 34 at 2.

To date, Havasu has failed to provide any evidence that it has complied with the March 7, 2025 NOV and with any of the four directives contained therein. This continuing noncompliance and unresponsiveness constitutes a public health and safety risk to its customers.

Havasu contends that the Commission has no evidence that there is anything wrong with the operation of Havasu's fire hydrants or that Havasu has failed to adequately maintain fire hydrant services in its service area.¹⁵⁶

Havasu's contention is circular and without merit. The March 7, 2025 NOV directs Havasu to provide WD with a complete record of all inspections, repairs, and replacements performed by Havasu on fire hydrants within its service area from the last ten years.¹⁵⁷ Compliance with this directive is mandatory.¹⁵⁸

Because Havasu is required to furnish WD with such records, its failure to do so places it at fault and in violation of Commission directives. The absence of records that could potentially exonerate Havasu underscores its noncompliance. Havasu's argument that WD lacks evidence of deficiencies in its fire hydrants is misplaced. The proper view is that Havasu has failed to offer any evidence demonstrating that its fire hydrants have been inspected, repaired or replaced at any time during the past ten years. Havasu's position does not rebut the March 7, 2025 NOV but rather confirms its failure to comply with the Commission's directive.

¹⁵⁶ Exhibit 2, Attachment 36 at 2.

¹⁵⁷ Exhibit 2, Attachment 34 at 2.

¹⁵⁸ Pub. Util. Code § 702.

Havasu contends that the fire hydrants are maintained by SBCFD pursuant to the Uniform Fire Hydrant Safety Agreements (UFHSA).¹⁵⁹ According to Havasu, SBCFD maintains all records of the inspection, repair and maintenance of Havasu fire hydrants and those records will be produced upon receipt from SBCFD.¹⁶⁰ In addition, Havasu claims that SBCFD has not produced the requested records nor have they sent written notice to Havasu of any need for repair or replacement of any of Havasu's fire hydrants.¹⁶¹

To counter Havasu's SBCFD claims, CPED filed the Declaration of Tracy Shaw, Assistant Fire Marshal for the SBCFD.¹⁶² In her declaration, Ms. Shaw states that:

In the normal course of business, SBCFD does not execute Uniform Fire Hydrant Safety Agreements (UFHSA) with local water utilities. Testing, maintenance, inspection and repair of the fire hydrants utilized by SBCFD for fire suppression is the responsibility of the local water purveyor. SBCFD has not executed a UFHSA with Havasu. SBCFD does not inspect fire hydrants utilized for fire suppression and does not provide a recommendation for a schedule for testing or require submission of records of inspections, maintenance, testing or repair. SBCFD does not perform maintenance and repair of the fire hydrants that are part of Havasu's service area and therefore does not have records to provide to CPUC.

¹⁵⁹ Exhibit 2, Attachment 36 at 2-8.

¹⁶⁰ *Id.*

¹⁶¹ *Id.*

¹⁶² Exhibit 1, Attachment 5 at 1.

Based on the Declaration of Ms. Shaw, it is determined that Havasu does not have a UFHSA with SBCFD and Havasu is responsible for the inspection, repair and replacement of fire hydrants in its service area.

The evidence is clear. Havasu is attempting to delay and mislead the Commission into believing that SBCFD is responsible for inspection, repair and replacement of its fire hydrants when the responsibility to do so squarely lies with Havasu.

Havasu failed to offer any evidence or testimony in defense of its position that it was not in violation of Commission directives. As such, it is determined that Havasu violated Pub. Util. Code § 2713(a) and GO 103-A (VII)(2)(B) when it failed to properly inspect, repair and replace fire hydrants in its service area.

9. From March 2025 to Present, Havasu Did Not Violate Pub. Util. Code § 454 and Tariffs 12(B) and (C) When It Changed Its Customers' Water Meters

CPED alleges that on or about March 2025, Havasu violated Pub. Util. Code § 454 when it changed its water meter size from 5/8 x 3/4" to 3/4" without Commission approval.¹⁶³

Pub. Util. Code § 454 states that:

A public utility shall not change any rate or so alter any classification, contract, practice, or rule as to result in any new rate, except upon a showing before the commission and a finding by the commission that the new rate is justified.

Pub. Util. Code § 491 states that:

Unless the commission otherwise orders, no change shall be made by any public utility in any rate or classification, or in any rule or contract relating

¹⁶³ Exhibit 2, Attachment 41 at 1.

to or affecting any rate, classification, or service, or in any privilege or facility, except after 30 days' notice to the commission and to the public. Notice shall be given by filing with the commission and keeping open for public inspection new schedules stating plainly the changes to be made in the schedule or schedules then in force, and the time when the changes will go into effect.

According to CPED, Havasu must provide notice to the Commission and seek approval before making changes to the customers' water meters.¹⁶⁴ CPED asserts that by not providing notice and seeking approval, Havasu's actions resulted in a rate increase for customers that was not approved by the Commission.¹⁶⁵ Havasu was ordered to cease billing customers at the higher service charge.¹⁶⁶ Havasu was informed that it may not bill customers at the service charge associated with 3/4" meter size until a Tier 3 Advice Letter justifying the rate increase is approved by the Commission.¹⁶⁷ On May 6, 2025, the WD issued a data request to Havasu regarding the water meter replacement.¹⁶⁸ On May 8, 2025, Havasu objected to WD's data request.¹⁶⁹

In addition, CPED asserts that changing the water meters also violated Havasu's Tariff 12(B) and (C) which states:

(B) Rates and Optional Rates

¹⁶⁴ Id.

¹⁶⁵ Id.

¹⁶⁶ Id.

¹⁶⁷ Id.

¹⁶⁸ Exhibit 2, Attachment 74 at 1.

¹⁶⁹ Exhibit 2, Attachment 75 at 1.

The utility will explain to every applicant for service each rule schedule which is applicable, and of the applicant's right to elect therefrom the option under which service is desired.

(C) New or Revised Rates

Should new or revised rates be established, the utility will duly notify all customers affected.

In a letter to WD, Havasu argued that Pub. Util. Code § 454 does not authorize the Commission to dictate which sized water meters are to be used by the utility which Havasu contends has always been at its discretion.¹⁷⁰ Havasu contends that the decision to phase out the servicing of 5/8" water meters has not increased the rate charged for water usage.¹⁷¹ Havasu claims that after conducting a field audit, it determined that providing 3/4" water meters were more accurate and provided better water pressure for the customer.¹⁷² In addition, Havasu claims that the San Bernardino County has not required any additional permit for replacing water meters that were originally permitted with the development of the owner's private property.¹⁷³

Since Havasu has less than 10,000 connections, its general rate case process is completed through a less formal process.¹⁷⁴ Havasu may request a rate

¹⁷⁰ Exhibit 2, Attachment 42 at 1.

¹⁷¹ *Id.*

¹⁷² *Id.*

¹⁷³ *Id.*

¹⁷⁴ The Water Division's website is located at: <https://www.cpuc.ca.gov/about-cpuc/divisions/water-division/water-rates-and-general-rate-case-proceedings-section/general-rate-case-process>

increase by filing an advice letter that is reviewed by WD staff.¹⁷⁵ Havasu is required to provide notice of the advice letter filing to its customers by mail, bill inserts, or email at least 30 days before the proposed rate increase would take effect.¹⁷⁶

Anyone can file a protest to dispute the rate increase within 20 days of the notice being sent and if more than 50% of the Havasu's customers file a protest, WD may consider rejecting the advice letter and referring the rate request to the Administrative Law Judge Division of the Commission to assign an application number and have the rate request processed as a formal proceeding.¹⁷⁷

Here, CPED alleges that Havasu's action of changing water meter sizes from 5/8 x 3/4" to 3/4" constitutes a rate change.¹⁷⁸ CPED bases this argument on customers' testimonies that their water bills have increased from previous months after installation of the new 3/4" water meters.¹⁷⁹ CPED concludes that Havasu's action of changing the 5/8 x 3/4" to 3/4" water meters have increased its customers' water bill and therefore is a change in water rate.¹⁸⁰

However, CPED has failed to provide any evidence or citation supporting the contention that the replacement of water meters equates to an increase in the water rate charged to Havasu's customers. While it is possible that the

¹⁷⁵ Id

¹⁷⁶ Id.

¹⁷⁷ Id.

¹⁷⁸ Exhibit 2, Staff Report at 23.

¹⁷⁹ Id. at 23-24.

¹⁸⁰ Id.

installation of 3/4" meters may result in higher customer bills, such increases may be caused by the improved accuracy of the 3/4" water meters. The older 5/8 x 3/4" meters may have underreported actual usage, thereby artificially lowering bills. The correction of underreporting through the use of more precise water meters does not constitute a change in the water rate.

Furthermore, the rate charged by Havasu to its customers remained unchanged. The change from 5/8 x 3/4" to 3/4" water meters changes the amount of water that may flow through the water meter but the amount used is still charged the same rate. CPED has failed to meet its burden on this issue.

As such, it is determined that Havasu did not violate Pub. Util. Code § 702 and did not violate Tariff 12 (B) and (C) when it changed the meter size of its customers from 5/8 x 3/4" to 3/4".

10. Violations of Rule 1.1 by Havasu

Any party appearing before the Commission is obligated to comply with Rule 1.1 of the Commission's Rules of Practice and Procedure. CPED alleges that Havasu has violated Rule 1.1 on numerous occasions and request authority to impose penalties.

Rule 1.1 states that:

Any person who signs a pleading or brief, enters an appearance, offers testimony at a hearing, or transacts business with the Commission, by such act represents that he or she is authorized to do so and agrees to comply with the laws of this State; to maintain the respect due to the Commission, members of the Commission and its Administrative Law Judges; and never to mislead the Commission or its staff by an artifice or false statement of fact or law.

10.1. Havasu Correspondence¹⁸¹

10.1.1. May 8, 2025

CPED alleges that Havasu violated Rule 1.1 when it sent an email to W. Tsai on May 8, 2025.¹⁸² On May 8, 2025, Havasu sent the following email to W. Tsai:¹⁸³

Dear Mr. Tsai,

The PUC tariff book gives every water utility the right to post what meters it will serve & have the rates approved by the PUC, which has already been done.

All we've said is we're not going to serve the 5/8" meters anymore.

Again, we've contacted both the San Bernardino County Building Dept & our meter suppliers & they've informed us that the larger meters are more accurate & don't cause the problems with water pressure.

Thank you,

Jennifer Hodges

President

CPED contends that Havasu's May 8, 2025 email provides misleading information to the Commission.¹⁸⁴ Specifically, Havasu allegedly made false representations claiming the "PUC tariff book gives every water utility the right to post what meters it will serve and have the rates approved by the PUC, which was already done."¹⁸⁵

¹⁸¹ In Exhibit 1 at 2, W. Tsai states that the correct dates for correspondences are May 8 and 12, 2025 and not May 6, 2025.

¹⁸² Exhibit 2, Attachment 39 at. 1.

¹⁸³ *Id.*

¹⁸⁴ Exhibit 1 at 12.

¹⁸⁵ *Id.*

CPED has failed to provide evidence demonstrating that Havasu's statements are misleading. Rather, CPED's justification for its assertion rests on the contention that Havasu did not "[P]rovide any written documentation from the County or required citations to applicable rules, regulations to justify their actions."¹⁸⁶ This rationale is insufficient. In effect, CPED commits the same error it attributes to Havasu—advancing a claim without evidentiary support.

The distinction, however, is that CPED bears the burden of proof to establish that Havasu's conduct constitutes a violation of Rule 1.1. CPED has not met this burden.

As such, it is determined that Havasu's May 8, 2025 correspondence with W. Tsai does not violate Rule 1.1.

10.1.2. May 12, 2025

CPED alleges that on May 12, 2025, Havasu violated Rule 1.1 when it sent a letter to WD in response to the cease and desist order.¹⁸⁷ CPED alleges that the letter misleads the Commission by citing an inapplicable rule, Tariff Rule 15(A)(4).

Tariff Rule 15(A)(4) states that:

The size, type, quality of materials and their location shall be specified by the utility; and the actual construction shall be done by the utility or by a construction agency acceptable to it.

CPED contends that Rule 15 applies to main extensions whereas Rule 16 applies to service connections, meters and customer's facilities.¹⁸⁸ CPED states

¹⁸⁶ Exhibit 2, Staff Report at 24.

¹⁸⁷ Exhibit 2, Attachment 42 at 1.

¹⁸⁸ Exhibit 2, Staff Report at 26.

that the utility's ability to size mains and distribution lines referenced in Tariff Rule 15(A)(4) does not apply to the installation of meters.¹⁸⁹

CPED is correct that that Rule 15 and Rule 16 are distinct, and that Rule 16 governs service connections, meters, and customer facilities. However, the mere fact that a party advances a different interpretation of a rule does not, in itself, constitute a violation of Rule 1.1.

Here, Havasu asserts that it is not required to obtain approval for changing its water meters and relies upon Rule 15(A)(4) as authority.¹⁹⁰ Havasu's counsel is entitled to "[P]ropound a legitimate argument and to protest an erroneous ruling and there is no rule permitting a court to punish an attorney because he is honestly mistaken in his interpretation of the law when he presents his mistaken views to the court in a proper and respectful manner."¹⁹¹

CPED's position—that any interpretation of a rule contrary to its own constitutes a violation of Rule 1.1—is legally unsound. CPED has cited no authority to support this contention.

As such, it is determined that Havasu has not violated Rule 1.1 with its May 12, 2025 correspondence to WD.

¹⁸⁹ Id.

¹⁹⁰ The ALJ found that in Section 9 that Havasu did not violate Pub. Util. Code § 702 and Tariff 12(B) and (C) when it changed water meters for its customers from 5/8 x 3/4" to 3/4".

¹⁹¹ *Chula v. Superior Court* (1952) 109 Cal.App.2d 24, 40.

10.2. Advice Letter dated December 8, 2023

CPED alleges that on December 8, 2023, Havasu violated Rule 1.1 when it filed Advice Letter No. 52-W.¹⁹² According to CPED, the Advice Letter contained an inaccurate statement and map.¹⁹³

In the Advice Letter, Havasu states that, “This map does not add any additional service area not already described in the tariff book, Decisions and prior accepted Advice Letters.”¹⁹⁴ CPED alleges that this statement is inaccurate because the map included in the Advice Letter does not delineate the Vista Del Lago community served by the Chemehuevi Indian Tribe’s (CIT) water district.¹⁹⁵

A complaint (C.) 05-04-007 was filed by Havasu Lakeshore Investments (HLI) against Havasu.¹⁹⁶ In the complaint, HLI, the developer of a 320-unit vacation mobile home community called Vista Del Lago near Lake Havasu in San Bernardino County sought water service from Havasu.¹⁹⁷ During the pendency of the complaint, HLI found an alternative water source and sought dismissal of its dispute with Havasu.¹⁹⁸

Per D.06-04-007, HLI established a relationship with an alternative water purveyor and HLI also obtained or was in the process of obtaining all of the

¹⁹² Exhibit 2, Attachment 70 at 1.

¹⁹³ Exhibit 2, Attachment 71 at 1.

¹⁹⁴ Exhibit 2, Attachment 70 at 2.

¹⁹⁵ *Id.*

¹⁹⁶ Complaint C.05-04-007

¹⁹⁷ D.06-04-007 at 1.

¹⁹⁸ *Id.*

necessary approvals for that supply source.¹⁹⁹ As of 2006, HLI proceeded with immediate connection of its Vista Del Lago community to the CIT's water facilities and sewage treatment plant.²⁰⁰

CPED contends that Havasu is intentionally trying to mislead the Commission by adding the Vista Del Lago community to its service area when this issue has already been resolved by Commission decision.²⁰¹ CPED stated that it confirmed with the South Coast Section of the SWRCB, DDW that CIT continues to serve the Vista Del Lago community.²⁰²

The evidence establishes that the Vista Del Lago community receives its water service from CIT, as determined in D.06-04-007. Despite this, Havasu included Vista Del Lago community within its service area in its Advice Letter. By doing so, Havasu offered information that was inconsistent with the Commission's prior decision.

Although Havasu may not have intended to mislead, Rule 1.1 does not require proof of intent. The issue is whether the inclusion of Vista Del Lago community had the effect of misleading the Commission. Here, it is determined that the inclusion created a false impression that the Vista Del Lago community rested in Havasu's service area and therefore Havasu should be its water service provider, when in fact CIT is Vista Del Lago community's service provider. This misrepresentation constitutes a "lack of candor, withholding information or

¹⁹⁹ Id. at 2.

²⁰⁰ Id. at 2.

²⁰¹ Exhibit 2, Attachment 71 at 1.

²⁰² Id at 2.

failure to correct information..."²⁰³ and falls squarely within the scope of conduct prohibited by Rule 1.1.

Havasu failed to offer any evidence or testimony in defense of its position that it had not provided misleading and/or false information to CPED. As such, it is determined that Havasu violated Rule 1.1 when it filed its Advice Letter 52-W with incorrect information.

10.3. Data Requests

CPED alleges that Havasu violated Rule 1.1 when it failed to respond to data requests. On October 11, 2024, WD sent a data request to Havasu which is summarized below:

- October 11, 2024 data request, an email from W. Tsai to Havasu. Tsai references an attached data request.²⁰⁴ Havasu acknowledges receipt of the data request and informs W. Tsai that Havasu is awaiting further information from SBCFD and will provide further information upon receipt.²⁰⁵

As the Commission explained in D.13-12-053, where there has been a "lack of candor, withholding of information or failure to correct information or respond fully to data requests," the Commission can and has found a Rule 1.1 violation.²⁰⁶

²⁰³ D24-08-026 at 25.

²⁰⁴ Exhibit 2, Attachment 33 at 1.

²⁰⁵ *Id.*

²⁰⁶ D.13-12-053 at 25.

Here, Havasu acknowledges receipt of the data request and responds by saying, “Havasu is awaiting further information from SBCFD and will provide further information upon receipt.”²⁰⁷ The Declaration of Tracy Shaw states:²⁰⁸

In the normal course of business, SBCFD does not execute Uniform Fire Hydrant Safety Agreements (UFHSA) with local water utilities. Testing, maintenance, inspection and repair of the fire hydrants utilized by SBCFD for fire suppression is the responsibility of the local water purveyor. SBCFD has not executed a UFHSA with Havasu. SBCFD does not inspect fire hydrants utilized for fire suppression and does not provide a recommendation for a schedule for testing or require submission of records of inspections, maintenance, testing or repair. SBCFD does not perform maintenance and repair of the fire hydrants that are part of Havasu’s service area and therefore does not have records to provide to CPUC.

Based on the above statement from Ms. Shaw, it is determined that Havasu never had a UFHSA from SBCFD and that Havasu statements in the October 11, 2024 data request are an attempt by Havasu to mislead the Commission into believing that SBCFD is responsible for the inspection, maintenance, repair and record keeping of Havasu’s fire hydrants in its service area.

Havasu failed to offer any evidence or testimony in defense of its position that it had a UFHSA with SBCFD. As such, it is determined that Havasu violated Rule 1.1 when on October 24, 2024, Havasu claimed that it was waiting for information from SBCFD when there was no information because SBCFD and Havasu did not have a UFHSA.

²⁰⁷ Exhibit 2, Attachment 33 at 1.

²⁰⁸ Exhibit 1, Attachment 5 at 1.

10.4. Failure to Comply with D.24-03-053

CPED contends that Havasu violated Rule 1.1 when on April 8, 2024, it sent bills to customers requesting late fees. In D.24-03-053, the Commission ordered Havasu to remove all late fees from Complainants' bills from 2021 forward.²⁰⁹ On or about April 8, 2024, Havasu issued Gary Chamberlin a bill which included late fees from 2021 forward.²¹⁰

The idea to remove all late fees from the Complainants bills from 2021 forward was supported by Havasu.²¹¹ Havasu admits to intentionally rebilling the Complainants for late fees in its Rehearing Request.²¹²

The evidence establishes that Havasu represented to the ALJ assigned to C.23-02-009, that it would remove all late fees from Complainants' bills dating from 2021 forward. This representation was relied upon by the assigned ALJ and formed the basis of the Commission decision directing Havasu to remove all late fees. Havasu's subsequent reversal of position does not negate its prior agreement or the binding nature of the Commission's order.

By failing to comply with the order, Havasu misled the Commission and engaged in conduct inconsistent with Rule 1.1. The proper legal recourse available to Havasu was to file a rehearing request. Havasu was not permitted to

²⁰⁹ Id. at 14. "On its own volition, Havasu decided to remove all late fees associated with the Complainants submitted payments to CPUC impounds."

²¹⁰ C.23-02-009, Rehearing Request, Exhibit 1 at 1.

²¹¹ Id. at 10.

²¹² C.23-02-009, Rehearing Request at 2.

unilaterally disregard the Commission's order pending resolution of its rehearing request.

Havasu failed to offer any evidence or testimony in defense of its position that it had not misled the Commission and engaged in conduct inconsistent with Rule 1.1. As such, it is determined that Havasu violated Rule 1.1 when it failed to comply with D.24-03-053's order to remove all late fees from Complainant's bills from 2021 and forward.

11. Citation Number W.22-09-001

Pursuant to Pub. Util. Code §2107, CPED requests additional penalties be imposed on Havasu for failing to pay the penalty in Citation No. W.22-09-001.

Pub. Util. Code § 2107 states that:

Any public utility that violates or fails to comply with any provision of the Constitution of this state or of this part, or that fails or neglects to comply with any part or provision of any order, decision, decree, rule, direction, demand, or requirement of the commission, in a case in which a penalty has not otherwise been provided, is subject to a penalty of not less than five hundred dollars (\$500), nor more than one hundred thousand dollars (\$100,000), for each offense.

On July 26, 2022, WD issued a NOV to Havasu ordering Havasu to comply with four directives to bring Havasu back into compliance.²¹³ The directives included: 1. submitting a revised and approved correction action plan; 2. repairing the water main leak and resolve all low water pressures in the Havasu distribution system; 3. obtain certified operators; and 4. repair or remove potential cross connection hazards.²¹⁴

²¹³ Id.

²¹⁴ Id.

On September 14, 2022, WD issued Citation No. W.22-09-001 to Havasu for failure to comply with the required directives issues in the July 26, 2022 NOV.²¹⁵ The citation included a description of the violations; reasons for the violations; appeal sample form, appeal directions and appeal due date and citation payment form.²¹⁶

According to CPED, Havasu did not appeal the citation within 30 days and therefore was in default and forfeited its right to appeal the citation.²¹⁷ CPED claims that the Commission's Fiscal Office sent Havasu multiple notices of outstanding balances and that Havasu still has yet to pay the citation penalty.²¹⁸ Havasu did not provide a defense to this issue or justification for non-payment of the citation penalty.

The evidence establishes that Havasu was provided notice and an opportunity for a hearing and Havasu chose not to appeal. WD then issued a penalty in the amount of \$2,000 and provided Havasu a penalty due date which Havasu ignored. The Commission's Fiscal Office sent multiple notices of outstanding balances and Havasu ignored those notices too.

Havasu has failed to offer any evidence or testimony as to why it has not paid the \$2,000 penalty. As such, it is determined that Havasu violated Pub. Util. Code § 2107 when it failed to pay the penalty amount of \$2,000 for Citation No. W.22-09-001.

²¹⁵ Exhibit 2, Attachment 25 at 1.

²¹⁶ Id at 1–16.

²¹⁷ Exhibit 2, Staff Report at 19.

²¹⁸ Id.

12. Fines/Penalties

It is fundamental to the Commission's exercise of its powers and jurisdiction that the agency take reasonable steps to ensure that the utilities comply with its orders and rules.

Pub. Util. Code § 701 states that:

The commission may supervise and regulate every public utility in the State and may do all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient in the exercise of such power and jurisdiction.

As part of its enforcement efforts, the Commission has traditionally imposed fines when faced with persuasive evidence of noncompliance.²¹⁹ The Commission may impose penalties in two ways: 1) where improper affiliate transactions are of one specific type, apply the penalties provided in § 798; and 2) where no other penalty scheme has been established, apply the penalties provided in § 2107.²²⁰

In establishing the appropriate fine, the Commission has to consider 1) the severity of the offense; 2) the conduct of the utility; 3) the financial resources of the utility; and 4) the totality of the circumstances related to the violation.²²¹ The resulting fine should also be considered in context of past Commission decisions.²²²

²¹⁹ D.98-12-075 at 7.

²²⁰ *Id.*

²²¹ *Id.* at 8.

²²² *Id.*

12.1. D.24-03-053

CPED requests that an additional fine/penalty be assessed to Havasu for disobeying D.24-03-053. As noted in Section 7.3.3 above, it is determined that Havasu violated Pub. Util. Code § 702 when it did not comply with D.24-03-053, Ordering Paragraph 1, which states that Havasu shall remove all late fees from the Complainants bills from 2021 forward.

First, we look at the severity of the offense. Pub. Util. Code § 702 states that:

Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility and shall do everything necessary or proper to secure compliance therewith by all of its officers, agents, and employees.

Here, it has been determined that Havasu violated Pub. Util. Code § 702 when it intentionally disobeyed Ordering Paragraph 1 of D.24-03-053. The California State Constitution provides for the Commission to regulate public utilities.²²³ By disobeying an order from the Commission, Havasu has committed a violation that affects how the Commission regulates utilities. If utilities knew that they could disobey Commission decisions and orders, the Commission would lose all regulatory oversight. As such, it is determined that the severity of Havasu's offense of disobeying an order is high.

Second, we look at Havasu's conduct. The evidence establishes that Havasu supported the idea of removing all late fees from complainants' bills

²²³ Pub. Util. Act of 1912.

from 2021 forward.²²⁴ The assigned ALJ to C.23-02-009 relied upon Havasu's support in preparing D.24-03-053. Havasu therefore had notice that the decision would include the removal of late fees, and Havasu stayed silent. Havasu's action of rebilling the complainants' all late fees from 2021 forward is a blatant act of disrespect to the Commission. As such, it is determined that Havasu's conduct in rebilling the complainants' late fees from 2021 forward was intentional and disrespectful to the Commission's regulatory authority.

Third, we look at Havasu's financial resources. The evidentiary record establishes a history from 2021 to present of Havasu being fined by Federal, State and County agencies and failing to pay those fines. Based on this evidence, it is determined that Havasu has weak financial resources.

Finally, we look at the totality of the circumstances. The evidence establishes that Havasu had notice that it would be ordered to not rebill the complainants late fees from 2021 forward, that Havasu supported this idea and then decided to rebill the complainants all late fees from 2021 forward, regardless. Havasu's act was intentional, disrespectful and deceiving to the Commission's regulatory authority and process.

Havasu failed to offer any evidence or testimony in defense of its position that an additional fine/penalty should not be assessed for disobeying D.24-03-053. Pursuant to Pub. Util. Code § 2107, it is determined that Havasu's actions warrant a penalty of \$500.00. As such, it is ordered that Havasu will pay a

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penalty for its actions in D.24-03-053 in the amount of \$500 within 60 days of issuance of this decision.

12.2. Citation Number W.22-09-001

CPED requests that the Commission consider additional penalties for Havasu for failure to pay the \$2,000 penalty amount. As noted in Section 10 above, it is determined that Havasu violated Pub. Util. Code § 2107 when it failed to pay the penalty amount of \$2,000 for Citation No. W.22-09-001.

As noted, *supra*, there is a four-part test. First, we look at the severity of the offense. Havasu was fined \$2,000 for failing to comply with four directives including: submitting a revised and approved correction action plan; repairing the water main leak and resolve all low water pressures in the Havasu distribution system; obtain certified operators; and repair or remove potential cross connection hazards.²²⁵ The directives were part of a July 26, 2022 NOV from WD. The directives' goal was to bring Havasu back into compliance so that it would not pose a public health and safety risk to its customers. As such, it is determined that the severity of the offense is high.

Second, we look at Havasu's conduct. Here, we are actually looking at Havasu's lack of action. Havasu was provided specific deadlines to comply with WD's directives and elected not to complete them. In addition, Havasu was ordered to pay a fine in the amount of \$2,000 by a specific date and elected not to pay it. Havasu's conduct was intentional and poses a significant public health and safety risk to its customers.

²²⁵ Id.

Third, we look at Havasu's financial resources. The evidentiary record establishes a history from 2021 to present of Havasu being fined by Federal, State and County agencies and failing to pay those fines. Based on this evidence, it is determined that Havasu has weak financial resources.

Finally, we look at the totality of the circumstances. Here, Havasu's failure to comply with WD's directives have placed the public health and safety at risk. Havasu could have complied with the directives and paid the penalty but elected not to do so.

Havasu failed to offer any evidence or testimony in defense of its position that that the Commission should not impose additional penalties for its failure to pay the \$2,000 penalty amount. Pursuant to Pub. Util. Code § 2107, it is determined that Havasu's noncompliance and failure to pay the penalty in the amount of \$2,000 warrants an additional penalty. As such, it is ordered that Havasu will pay an additional penalty in the amount of \$500 for a total of \$2,500 associated with this citation within 60 days of issuance of this decision.

12.3. October 11, 2024 Data Request

CPED requests that the Commission consider additional penalties for Havasu for failing to comply with the October 11, 2024 data request. As noted in Section 10.3 above, it is determined that Havasu violated Rule 1.1 when on October 4, 2024, Havasu claimed that it was waiting for information from SBCFD when there was no information because SBCFD and Havasu did not have a UFHSA.

As noted, *supra*, there is a four-part test. First, we look at the severity of the offense. WD requested that Havasu submit all inspection, repair and

replacement documentation for all of its fire hydrants in its service area for the last ten years. This request was sent by a data request from WD to Ms. Hodges. Ms. Hodges sent a reply email back to WD stating that “Havasu is awaiting further information from SBCFD and will provide further information upon receipt.”²²⁶ As noted above, this has been determined to be an intentional false statement by Havasu as Ms. Shaw of SBCFD has stated that SBCFD does not have a UFCSA with Havasu and does not maintain or have records. It is determined that the severity of Havasu’s offense is high as Havasu’s conduct has an immediate impact on the public health and safety of all its customers.

Second, we look at Havasu’s conduct. Havasu has continued to mislead the Commission into believing that an agreement exists between Havasu and SBCFD. The first instance of this misrepresentation is found in the letter submitted by Havasu to WD, wherein Havasu’s attorney asserted that such an agreement was in place.²²⁷ The second instance is Ms. Hodges’ email to WD reiterating this claim.²²⁸ Finally, during the hearing, Havasu’s attorney repeated the assertion that Havasu maintained an agreement with SBCFD.²²⁹ When questioned by the assigned ALJ to provide evidence of the alleged agreement, Havasu’s second attorney declined to offer any documentation to the

²²⁶ Exhibit 2, Attachment 33 at 1.

²²⁷ Exhibit 2, Attachment 36 at 2-8.

²²⁸ Exhibit 2, Attachment 33 at 1.

²²⁹ RT at 75.

court.²³⁰ Based on these repeated and deliberate misrepresentations, it is determined that Havasu's conduct constitutes the highest level of deception.

Third, we look at Havasu's financial resources. The evidentiary record establishes a history from 2021 to present of Havasu being fined by Federal, State and County agencies and failing to pay those fines. Based on this evidence, it is determined that Havasu has weak financial resources.

Finally, we look at the totality of the circumstances. In an era of severe and dangerous wildfires in California, the inspection, repair, and replacement of fire hydrants is essential to protecting the public. Havasu's ongoing deception and failure to fulfill its responsibilities place lives in jeopardy and exposes property to significant risk. There is no excuse for Havasu's failure to ensure that fire hydrants within its service area are maintained as it is their sole responsibility and duty to the public.

Havasu failed to offer any evidence or testimony in defense of its position that it should be subject to additional penalties for failing to comply with CPED's October 11, 2024 data request. Pursuant to Pub. Util. Code § 2107 and due to the seriousness of the offense and its impact on the public, it is determined that a penalty is warranted in the amount of \$20,000, due within 60 days of issuance of this decision.

13. Category of Proceeding

This matter has been categorized as adjudicatory.

14. Appeal or Review of Presiding Officer's Decision

²³⁰ Id.

The Presiding Officer's Decision (POD) in the instant proceeding was mailed on February 13, 2026 in accordance with Pub. Util. Code § 311. Pursuant to Rule 14.4, any party may file an appeal of the presiding officer's decision within thirty (30) days of the date the decision is served. In addition, any Commissioner may request review of the presiding officer's decision by filing a request for review within thirty (30) days of the date the decision is served . On March 11, 2026, CPED filed an appeal to the POD. The appeal was timely filed.

In its appeal, CPED supports the POD and asserts that the POD's conclusions are supported by the evidentiary record. CPED identifies several technical or factual errors, which in its view does not alter the POD's conclusions. CPED's states that correcting these errors will allow the POD to more accurately reflect the evidentiary record. CPED's appeal has 23 recommendations. We have reviewed CPED's appeal and accept the technical and factual errors it has identified. As such, we will correct these errors in this modification to the POD, except where otherwise noted below. The changes are as follows:

1. Section 1.2: Procedural Background on page 5. We add CPED's two motions filed on January 14, 2026 to the POD. We add ALJ's ruling on January 20, 2026 to the POD.
2. Section 2: Submission Date on page 6. We change the submission date to January 20, 2026.
3. We corrected the following footnote citations: 20, 22, 23, 29, 44, 50, 55, 69, 81 and 108.

4. Section 7.1.1: Havasu Violated GO 103-A on page 13. We added two noncompliance notices issued by the EPA for a total of six noncompliance notices with citations.
5. Section 7.1.2: Havasu Violated GO 103-A on page 16. We changed the third bullet point from May 3, 2024 to March 8, 2024.
6. Section 7.2.1: Havasu Violated GO 103-A on page 17 and 18. We changed the date of May 29, 2022 to March 29, 2022.
7. Section 7.3.1: WD Oversight of Havasu on page 25 and 26. We changed the date of September 14, 2022 to September 16, 2022 and the date from October 4, 2024 to March 7, 2025.
8. Section 7.3.2: Havasu Violated Pub. Util. Code § 702 on page 29. We revised the following sentence from “CPED alleges that Havasu violated Pub. Util. Code § 702 when it failed to respond to three data requests from WD” to “CPED alleges that Havasu violated Pub. Util. Code § 702 when it failed to respond to two data requests one from WD and one from CPED.” In the second bullet point, we changed the sentence “A letter from WD to Havasu” to “A letter from CPED to Havasu.”
9. We removed references to the September 29, 2025 email from Havasu to WD on pages 30, 31, 64, 68 and 69.
10. Section 8: Resolution of K.25-06-028 on page 39. We changed the date from June 11, 2025 to June 23, 2025. This change was made to Finding of Fact 31 on page 65 as well.

11. Section 8.1: Discussion on page 41. We changed the date from March 12, 2025 to May 12, 2025. This change was made to Finding of Fact 40 on page 65 as well.

12. Section 10.3: Data Requests on page 53. We changed the date from October 4, 2024 to October 24, 2024.

13. Section 10.4 Failure to Comply with D.24-03-053 on page 54. We change the date from April 8, 2025 to April 8, 2024. This change was made to Finding of Fact 57 on page 72.

We deny CPED's recommendation No. 19. The May 6, 2025 data request concerns Havasu's replacement of customer's meters which we discuss in Section 9. Havasu timely objected to this data request on May 8, 2025 and CPED did not file a motion to compel or request an order from the assigned ALJ compelling Havasu to respond. We added a footnote to the May 6, 2025 data request in Section 9 of the POD.

On March 13, 2026, Havasu filed an appeal to the POD. On March 16, 2026, the Commission notified Havasu by e-mail that its appeal had been rejected because the filing violated Rule 1.14 and had eight deficiencies.²³¹ The Commission notified Havasu that it needed to make corrections to its appeal and refile within seven calendar days, or by March 23, 2026. Havasu refiled its appeal on March 24, 2025. Havasu's refiled appeal is untimely. Nevertheless, we will accept Havasu's appeal so that we may address its arguments.

²³¹ Email from CPUCElectronicFiling@cpuc.ca.gov to ravi@ganjalaw420.com (March 16, 2026, at 3:21 PM) (on file with author).

Havasu claims that the Commission does not have jurisdiction over Havasu. Havasu contends that Havasu is located within the boundaries of the Chemehuevi Indian Reservation and that the EPA regulates public water systems within the boundaries of Tribal Reservations in California. Havasu asserts that on January 1, 2024, the Commission transferred jurisdiction of Havasu to the EPA.

On November 2, 2023, the EPA issued a letter to Havasu stating that the EPA would assume regulatory oversight of Havasu under the SDWA from the State Water Resources Control Board, Division of Drinking Water (DDW).²³²

First, the EPA only assumed regulatory oversight over Havasu's drinking water quality standards under the SDWA. The EPA did not and legally cannot assume regulatory oversight over Havasu outside the scope of drinking water quality. The Commission has jurisdiction over all water utilities operating in California pursuant to PUC §§ 216, 241 and 2701.

Second, DDW is a separate state agency and is not affiliated with the Commission. Accordingly, the transfer of SDWA oversight from DDW to the EPA has no bearing on the Commission's jurisdiction. As such, Havasu's contention that the Commission does not have jurisdiction over Havasu is without merit and unsupported by law and therefore is rejected.

Havasu contends that the Commission failed to comply with its own precedent in Decision (D.) 85-04-056. Havasu argues that D.85-04-056: 1) authorized an extension of Havasu's service area to include the Vista Del Lago

²³² Exhibit 2, Attachment 16 at 1.

development, and 2) extended the 1974 easement permitting Havasu to cross the Chemehuevi Indian Tribe's lands.

On April 13, 2006, the Commission issued Decision (D.) 06-04-007, dismissing with prejudice a complaint filed by Havasu Lakeshore Investments against Havasu. In that decision, the Commission determined that the Chemehuevi Indian Tribe, not Havasu, would provide water service to the Vista Del Lago development.

On June 20, 2024, the Commission addressed the easement issue in Resolution W-5274 and rejected Havasu's assertion that Decision (D.) 85-04-056 extended its easement within the Chemehuevi Indian Tribe's lands. Therefore, Havasu's contention that the Commission did not abide by its own precedent is rejected.

Havasu contends that its due process was violated because it was provided only one day of discovery. Havasu's contention is without merit and contrary to the evidentiary record.

On August 14, 2025, the Commission served the OII/OSC on Havasu, thereby providing Havasu with notice of the allegations against it. On September 2, 2025, the assigned ALJ issued a ruling notifying the parties that the PHC was scheduled for September 30, 2025 and that exhibits and testimonies were due by Friday, October 10, 2025. On September 30, 2025 at the PHC, the parties were notified that discovery needed to be completed by October 10, 2025.²³³ In addition, Havasu was instructed to file objections as soon as possible

²³³ Reporter's Transcript for PHC at 38.

if CPED refused to provide any discovery.²³⁴ Havasu stated that it could not conduct discovery in 10 days.²³⁵ On October 1, 2025, the assigned ALJ issued a ruling extending discovery to October 17, 2025, thereby providing Havasu an additional 7 days or 17 days in total to conduct discovery. Havasu did not file any motions claiming that CPED failed to provide discovery. Havasu's contention that it only had one day to conduct discovery is refuted by the evidentiary record and is rejected.

Havasu contends that it was not provided an opportunity to prepare for or respond to any proposed receivership or fines before they were issued.

On August 14, 2025, the Commission served the OII/OSC on Havasu, thereby providing Havasu with notice of the allegations against it, as well as CPED's request for authorization to pursue a receivership in Superior Court and for the Commission to impose fines. In the Scoping Memo, the Commission scheduled the submission of exhibits and testimony for October 17, 2025, and set evidentiary hearings for October 27–31, 2025, thereby providing Havasu ample opportunity to present its defense. Havasu did not submit any exhibits or testimony by the October 17, 2025 deadline. At the evidentiary hearing, Havasu rested its case following approximately four hours of cross-examination. As such, Havasu's contention that it was not provided opportunity to prepare for the receivership issue and fines is contrary to the evidentiary record and is rejected.

²³⁴ Id.

²³⁵ Id.

Havasus's remaining arguments in opposition to the POD do not present any new facts or legal authority supporting its position. The arguments raised in the appeal have already been fully reviewed and considered in the POD. After a careful review of Havasu's appeal, we find its contentions to be without merit and unsupported by the evidentiary record. Therefore, Havasu's appeal is denied.

15. Assignment of Proceeding

Matthew Baker is the assigned Commissioner and Minh LeQuang is the assigned Administrative Law Judge and Presiding Officer in this proceeding.

Findings of Fact

1. Havasu is a Class D water utility located in the unincorporated community of Havasu Lake in San Bernardino County.
2. On August 14, 2025, the preliminary scoping memo and ruling was filed.
3. On September 30, 2025, a Pre-Hearing Conference was conducted.
4. On October 16, 2025, the Scoping Memo and Ruling was filed.
5. From January 2024 to present, Havasu received one inspection notice, two emergency administrative orders and six noncompliance notices from the EPA for violations of the SDWA.
6. From January 2024 to present, Havasu was noncompliant and unresponsive to notices and orders from the EPA.
7. From January 2024 to present, Havasu received five boiling water notices from the EPA for violations of the SDWA.
8. From January 2024 to present, Havasu's water quality was sufficiently dangerous that the EPA ordered Havasu to issue BWNs.

9. From March 2022 to December 2023, Havasu received two compliance orders and eight noncompliance citations from the DDW.

10. From March 2022 to December 2023, Havasu was noncompliant and unresponsive to orders and citations from the DDW.

11. From March 21, 2022 to March 29, 2022, Havasu did not: 1) have an operable backup generator; 2) have alternative source of water; 3) have certified operators and 4) provide notice to the Commission of the water outage.

12. From March 21, 2022 to March 29, 2022, Havasu was noncompliant and unresponsive to directives from WD.

13. From March 2022 to May 2025, Havasu received seven NOVs, two citations and a cease and desist order from WD.

14. From March 2022 to May 2025, Havasu was noncompliant and unresponsive to notices, citations and orders from WD.

15. On October 11, 2024, Havasu received a data request from WD.

16. From October 11, 2024 to present, Havasu failed to provide WD with the data requested on October 11, 2024.

17. On September 22, 2025, Havasu received data requests from WD.

18. The September 22, 2025 data request was issued during this proceeding and considered a discovery request.

19. Pursuant to D.24-03-053, Ordering Paragraph 1, Havasu was ordered to remove all late fees from the Complainants' bills from 2021 forward.

20. Havasu supported the removal of late fees during the hearing of C.23-02-009

21. Havasu admitted that it intentionally rebilled the Complainants for late fees despite an order directing it to remove late fees.

22. D.24-03-053 represents a final judgement on all issues related to C.23-02-009.

23. From January 2021 to February 2023, Havasu on at least four incidents failed to repair work in the public right-of-way.

24. From January 2021 to present, Havasu has failed to remedy any of the incidents cited by SBCPW.

25. Havasu has been noncompliant and unresponsive to the EPA's rules and orders.

26. Havasu has been noncompliant and unresponsive to DDW and WD's rules and orders.

27. Havasu has been noncompliant and unresponsive to SBCPW's rules and orders.

28. Havasu is unable or unwilling to adequately serve its customers.

29. On March 7, 2025, WD issued a NOV ordering Havasu to inspect, repair and replace all fire hydrants in its service area within a specified period of time.

30. On May 12, 2025, WD issued Citation No. W.25-05-001 to Havasu for failing to comply with the March 7, 2025 NOV.

31. On June 11, 2025, Havasu filed an appeal to Citation No. W.25-05-001 which became K.25-06-028.

32. The preliminary scoping memo set forth in I.25-08-007 gave notice to Havasu that the issues raised in K.25-06-028 would be consolidated with this investigation and no party has objected to consolidation.

33. The March 7, 2025 NOV provided Havasu sufficient administrative due process with a notice and hearing.

34. WD is not required to provide Havasu with prior notice that a citation will be issued.

35. Havasu has been noncompliant and unresponsive to the NOV by WD.

36. Havasu did not provide any documentation to WD regarding the fire hydrants in its service area.

37. SBCFD does not execute UFHSA with local water utilities.

38. Havasu does not have a UFHSA with SBCFD.

39. From March 2025 to present, Havasu changed its customers' water meters size from 5/8 x 3/4" to 3/4".

40. CPED did not provide any authority or citation that supports the contention that a change in customers' water meters equates to a rate change.

41. Tariffs 12(B) and (C) apply to rate changes by Havasu.

42. The rate charged by Havasu to its customers remained unchanged even after the customers' water meters were replaced.

43. On May 8, 2025, Havasu sent an email to W. Tsai of WD.

44. CPED failed to provide evidence demonstrating that Havasu's statements in the May 8, 2025 letter were misleading.

45. On May 12, 2025, Havasu sent a letter to WD.

46. CPED failed to provide authority or citation that supports the contention that an interpretation of a rule that is contrary to its own is a violation of Rule 1.1.

47. On December 8, 2023, Havasu filed Advice Letter No 52-W.

48. Havasu Lakeshore Investments filed a complaint with the Commission against Havasu in 2005.

49. Havasu Lakeshore Investments found an alternative water source and its dispute with Havasu was dismissed in 2006.

50. Vista Del Largo community receives its water services from the Chemehuevi Indian Tribe.

51. Havasu added the Vista Del Largo community to its service area in Advice Letter No. 52-W.

52. On October 11, 2024, Havasu received a data request.

53. Havasu acknowledged receipt of the October 11, 2024 data request and informed WD that it is awaiting further information from SBCFD and would provide further information upon receipt.

54. SBCFD does not execute UFHSA with local water utilities.

55. Havasu does not have a UFHSA with SBCFD.

56. In D.24-03-053, the Commission ordered Havasu to remove all late fees from Complainants' bills from 2021 forward.

57. On April 8, 2024, Havasu sent a bill to Gary Chamberlin which included late fees from 2021 forward.

58. On September 14, 2022, WD issued Citation No. W.22-09-001 to Havasu for failing to comply with the July 26, 2022 NOV.

59. Citation No. W.22-09-001 included a \$2,000 penalty that has not been paid to date.

Conclusions of Law

1. It is reasonable to conclude that Havasu violated GO 103-A (II)(2)(A)(2) when it failed to comply with the EPA's SDWA from January 2024 to present while incurring two emergency administrative orders and six noncompliance notices.

2. It is reasonable to conclude that Havasu violated GO 103-A (II)(2)(A)(1) when it was required by the EPA to issue BWNs to its customers.

3. It is reasonable to conclude that Havasu violated GO 103-A (II)(1)(B) when it continued to place its customers health in jeopardy by violating the DDW's drinking water standards.

4. It is reasonable to conclude that Havasu violated GO 103-A (III)(8)(B), when it failed to have an operable backup generator from March 21, 2022 to March 29, 2022.

5. It is reasonable to conclude that Havasu violated GO 103-A (II)(3)(A)(1) when it failed to provide its customers an alternate source of water during the March 21, 2022 through March 29, 2022 water outage.

6. It is reasonable to conclude that Havasu violated GO 103A (II)(2)(A)(3) when it failed to notify the WD of the water outage that occurred between March 21, 2022 through March 29, 2022.

7. It is reasonable to conclude that Havasu violated CCR, Title 22, section 64413.5 when it failed to have the required certified operators at its facility between March 21, 2022 through March 29, 2022.

8. It is reasonable to conclude that Havasu violated Pub. Util. Code § 702 when it failed to comply with WD's orders, directives and rules from March 2022 through May 2025.

9. It is reasonable to conclude that Havasu did not violate Pub. Util. Code § 702 when it did not respond to WD's September 22 , 2025 data request because discovery requests that are not complied with must be brought to the attention of the ALJ through a motion to compel which was not done here.

10. It is reasonable to conclude that Havasu violated Pub. Util. Code § 702 when it did not comply with D.24-03-053, Ordering Paragraph 1, which states that Havasu shall remove all late fees from the Complainants bills from 2021 forward.

11. It is reasonable to conclude that Havasu violated Pub. Util. Code § 2713(a) and GO 103-A (VII)(2)(B) when it failed to when it failed to inspect, repair and replace fire hydrants in its service area.

12. It is reasonable to conclude that Havasu violated GO 103-A (II)(C)(3) when on four incidents where Havasu had to perform excavation or repair work within the public right-of-way, Havasu failed to repair ground surface to at least its original condition.

13. It is reasonable to conclude that Havasu violated Pub. Util. Code § 2713(a) and GO 103-A (VII)(2)(B) when it failed to inspect, repair and replace its fire hydrants in its service area.

14. It is reasonable to conclude that Havasu did not violate Pub. Util. Code § 702 and did not violate Tariff 12 (B) and (C) when it changed the water meter size

of its customers from 5/8 x 3/4" to 3/4" because changing water size meters is not equivalent to a rate change.

15. It is reasonable to conclude that Havasu did not violate Rule 1.1 with its May 8, 2025 letter because CPED failed to meet its burden.

16. It is reasonable to conclude that Havasu did not violate Rule 1.1 with its May 12, 2025 letter because a party is entitled to interpret the law differently.

17. It is reasonable to conclude that Havasu violated Rule 1.1 with its December 8, 2023 Advice Letter because it contained incorrect information.

18. It is reasonable to conclude that Havasu violated Rule 1.1 when it failed to respond to WD's October 11, 2024 data request.

19. It is reasonable to conclude that Havasu did not violate Rule 1.1 when it failed to respond to WD's September 22, 2025 data request because CPED did not file a motion to compel.

20. It is reasonable to conclude that Havasu should be fined an amount of \$500 for failing to comply with D.24-03-053, Ordering Paragraph 1, which states that Havasu shall remove all late fees from the Complainants bills from 2021 forward.

21. It is reasonable to conclude that Havasu should be fined an additional amount of \$500 for failing to pay the penalty for Citation No. W.22-09-001.

22. It is reasonable to conclude that Havasu should be fined an amount of \$20,000 for intentionally misleading the Commission with respect to the inspection, repair and maintenance of all Havasu's fire hydrants in its service area.

23. Havasu's long history of noncompliance and unresponsiveness to Commission rules and orders and its inability and unwillingness to adequately

serve its customers requires external intervention to protect its infrastructure and its customers.

24. All pending motions which have not yet been expressly ruled upon by the assigned Administrative Law Judge, should be denied.

25. I.25-08-007 should be closed.

O R D E R

IT IS ORDERED that:

1. The Consumer Protection Enforcement Division's request to petition for a receivership in California Superior Court for the Havasu Water Company is granted because Havasu Water Company has failed to comply with the laws, rules and regulations governing the manner in which consumers are provided with safe and reliable water service.

2. Citation appeal K.25-06-028 is consolidated with Investigation 25-08-007.

3. Decision 24-03-053 is affirmed.

4. Citation W.25-05-001 is affirmed and Havasu Water Company shall pay \$10,000 by check or money order, payable to the California Public Utilities Commission (Commission) and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102, within 60 days from the date that this decision is issued. Havasu shall write on the face of the check or money order "For deposit to the state General Fund pursuant to Citation W.25-05-001 and Decision 26-06-010."

5. Havasu Water Company shall pay \$23,000 (\$500 penalty for failing to comply with D.24-03-053, \$500 penalty for failing to pay the penalty for Citation No. W.22-09-001, \$2,000 for the initial penalty for Citation No. W.22-09-001 and

\$20,000 penalty for failing to comply with October 11, 2024 data request) by check or money order, payable to the California Public Utilities Commission (Commission) and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102, within 60 days from the date that this decision is issued. Havasu shall write on the face of the check or money order "For deposit to the state General Fund pursuant to Decision 26-06-010."

6. All pending motions which have not yet been expressly ruled upon by the Administrative Law Judge are denied.

7. Citation appeal K.25-06-028 is closed.

8. Investigation 25-08-007 is closed.

This order is effective today.

Date June 11, 2026, at Sacramento, California.

JOHN REYNOLDS

President

DARCIE L. HOUCK

KAREN DOUGLAS

MATTHEW BAKER

CHRISTINE HARADA

Commissioners

EXHIBIT B

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into the Operations, Maintenance, and Practices of Havasu Water Company (WTD-352) for Failure to Comply With the Laws, Rules, and Regulations of this State Governing the Manner in which California Consumers are Provided with Safe and Reliable Water Service and Order to Show Cause Why the Commission Should Not Petition the Superior Court for the Appointment of a Receiver.

FILED
PUBLIC UTILITIES COMMISSION
August 14, 2025
SACRAMENTO OFFICE
Investigation 25-08-007

ORDER INSTITUTING INVESTIGATION AND
ORDER TO SHOW CAUSE

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I. INTRODUCTION AND STATEMENT OF PURPOSE

By this order, the California Public Utilities Commission (Commission) institutes a formal investigation to determine whether named Respondent, Havasu Water Company (WTD-352) (Havas), violated any provisions of General Orders (GO) 103-A and 96-B; Resolution W-4799; Decision (D.) 92-03-093; Public Utilities Code sections 451, 454, 491, 701, 702, 2713; Rule 1.1 of the Commission's Rules of Practice and Procedure (Rule 1.1), and any other statutes and Commission decisions and resolutions pertaining to the maintenance, operations, and practices of its water system.

We take this action based on evidence pertaining to Havasu's failure to fulfill its responsibilities as a Class D water utility to furnish, maintain, and provide safe and reliable water services and facilities for its customers and the public. Havasu's alleged improper actions of providing deficient water services and facilities to its customers and the public have led to numerous informal and formal complaints filed by Havasu customers regarding concerns over water quality and service, improper water service charges, customer disconnections, and public safety. Havasu has also allegedly failed to comply with the Commission's enforcement actions for violations of the Public Utilities Code and General Order 103-A, since at least March 1, 2022 to current.¹ This Order provides notice that the Commission will determine whether Havasu has violated the laws, regulations of this state and the Commission's decisions, orders, and resolutions pertaining to maintenance and operations of its system to maintain safe and reliable water service to its customers and the public.

This Order also directs Havasu to show cause as to why, if the Commission determines Havasu committed violations, the Commission should not: (1) petition the Superior Court for the appointment of a receiver to assume possession of Havasu Water Company's property and operate its system upon such terms and conditions as the court shall prescribe, (2) impose penalties for violations and noncompliance with the

¹ The Commission's Water Division's investigation covers the period from March 1, 2022 to current. Any potential violations by Havasu Water Company prior to that date are not discussed in the Staff Report or Order.

Commission’s orders and for imposing ongoing harm to the regulatory process, and (3) impose other remedies for its unlawful and harmful practices to customer’s safety. Because of the evidence presented regarding ongoing serious harm to Havasu’s water service customers if a receiver is not appointed in a timely manner, the Commission will expedite consideration of this OII and adopt a decision within six months of issuance of this OII.

This Order is in response to an investigation of Havasu conducted by the Commission’s Water Division (WD) and referred to the Consumer Protection and Enforcement Division’s (CPED) Utilities Enforcement Branch (UEB). CPED issued: *“Investigation of Havasu Water Company’s (WTD-352) Compliance With California Public Utilities Commission Regulations and Ongoing Water Quality And Service Issues,”* by Wilson Tsai, Water Division,” dated July 21, 2025 (Staff Report).² The Commission opens this Order Instituting Investigation (“OII” or “Order”) on its own motion pursuant to Commission Rules of Practice and Procedure 5.1. Havasu is subject to the Commission’s jurisdiction. The Commission has broad authority to act to protect ratepayers in a variety of circumstances, to enforce the constitution, statutes, and Commission rules, orders, and decisions, and to remedy violations.³

This Order provides notice that the Commission will determine: (1) whether Havasu violated the Commission’s General Orders, Rules, and Decisions, or any other statutes or rules, and (2) if violations are found, whether the Commission should petition the Superior Court to appoint a receiver, impose fines, and/or order other remedies.

² The Staff Report is attached to this Order as Attachment A. Redactions have been made to some of the supporting attachments to the Staff Report to protect the release of “personal information” as defined in Civil Code § 1798.40, subd. (v)(1) and protected from disclosure under the California Consumer Privacy Act.

³ These provisions include, but are not limited to, Public Utilities Code § 451 (requiring public utilities to furnish and maintain adequate, efficient, just and reasonable service as necessary to promote the safety, health, comfort, and convenience of its patrons, employees and the public); §454 (prohibits public utilities from implementing a practice or rule that results in a new rate without first obtaining Commission approval); § 701 (Commission may do all things necessary and convenient to exercise its power and jurisdiction to regulate public utilities); § 761 (Commission may adopt order or rule to remedy unjust or unreasonable practices of a public utility); and §§ 2101 - 2113 (authority to enforce Constitution, statutes, and violations of Commission orders, rules, and decisions).

II. BACKGROUND AND PROCEDURAL HISTORY

Havasu operates under Utility No. WTD-352. Havasu became a certificated public utility on January 9, 1962, pursuant to Decision 63015.⁴ Havasu is currently owned by Jennifer Hodges, who took over ownership sometime between 2014 and 2019 upon the death of Mary Hodges.⁵ Jennifer Hodges also serves as Havasu's President. Havasu is a Class D⁶ investor-owned water utility, located in the high desert and is part of the unincorporated community of Lake Havasu in San Bernardino County. Havasu provides water service to approximately 226 metered service customers and derives its water source from Lake Havasu.⁷ Havasu is governed by the Public Utilities Code, GO 96-B, GO 103-A, and the Tariffs⁸ applicable to Water Service for Havasu Water Service, Cal P.U.C Sheet No. 318-W, effective August 28, 2023. Havasu's most recent rate increase was granted in August 28, 2023 by Advice Letter (AL) 50-W.⁹

Havasu accesses Lake Havasu via a supply line connecting the lake to Havasu's water treatment facility, which crosses the Chemehuevi Indian Tribe's (the Tribe) tribal lands via an easement that expired in 2006. This easement is the subject of a complaint filed in March 2020 by the Tribe against Havasu in the U.S. District Court for the Central

⁴ Decision No. 63015, Opinion, *In the Matter of the Application of HAVASU WATER COMPANY, a Corporation, to Establish and Operate a Water Company*, Application No. 43017, Filed December 28, 1960. Accessible at: [D63015_19620109_A43017.pdf](#).

⁵ Jennifer Hodges is the daughter of Everett L. Hodges and Mary Hodges, prior owners of Havasu Water Company. A Tier 2 advice letter must be filed to effectuate transfers of ownership pursuant to Pub. Util. Code § 853(c), which recognizes transfers from a "decedent to a member of the decedent's family...by a will, trust, or other instrument." To date, the commission has not received a Tier 2 advice letter requesting transfer as required by General Order 96-B, Water Rule 7.3.2(9). The first advice letter filed by Jennifer Hodges is AL 44-W, a Tier 1 advice letter filed on May 29, 2019.

⁶ As defined by General Order 96-B, Water Industry Rule Section 1.2, Class D investor-owned water utilities are those with less than 500 service connections.

⁷ Staff Report, at 2.

⁸ "'Tariffs' refer collectively to the sheets that a utility must file, maintain, and public as directed by the Commission, and that set forth the terms and conditions of the utility's services to its customers; 'tariffs' may also refer to the individual rates, tolls, rentals, charges, classifications, special conditions, and rules of a utility." (GO 96-B, General Rule 3.15, at 4.)

⁹ Pursuant to D.92-04-093, Ordering Paragraph 1, Havasu has submitted Tier 1 Advice Letters for rate increases based on the Consumer Price Index (CPI), and most recently submitted a request December 3, 2024.

District of California, alleging trespass and other claims.¹⁰ As of the date of the Staff Report, a settlement on damages between Havasu and the Tribe had not been reached and a trial is scheduled for the matter for December 2025.¹¹ Due to the pending litigation between the Tribe and Havasu over the easement, Havasu's access to Lake Havasu via the easement may be terminated as early as December 2026. If so, Havasu will be unable to serve its customers unless an alternative access or source can be identified.¹²

III. THE STATE AND FEDERAL SAFE DRINKING WATER ACT AND COMMISSION RULES AND DECISIONS GOVERNING ITS ADMINISTRATION

The federal Safe Drinking Water Act (SDWA) was passed by Congress in 1974, with a goal of protecting public health by regulating the public drinking water supply.¹³ The federal SDWA authorizes “the United States Environmental Protection Agency (US EPA) to set national health-based standards for drinking water to protect against naturally-occurring and man-made contaminants that may be found in drinking water.”¹⁴ The state SDWA is codified in Health and Safety Code §§ 116270 to 116293. The State Water Resources and Control Board (SWRCB) oversees compliance with the state SDWA. The legislature's intent in enacting the state SDWA was to improve laws governing drinking water quality and improve upon the minimum requirements of the federal Safe Drinking Water Act Amendments of 1996, by establishing drinking water

¹⁰ First Amended Complaint, *Chemehuevi Indian Tribe v. Havasu Water Co.*, No. 5:20-cv-00471-GW-KK (C.D. Cal. July 29, 2020). On July 28, 2022, the district court granted partial summary judgment in the Tribe's favor and denied Havasu's counter motion for summary judgment and ordered the parties to negotiate a settlement for damages. (See *Chemehuevi Indian Tribe*, No. 5:20-cv-00471-GW-KK, at 23 (C.D. Cal. July 28, 2022).

¹¹ Staff Report, at 3.

¹² Staff Report, at 3-4. The court has set a trial date of December 9, 2025 to decide damages and consider the proposed order requiring removal of the pipeline crossing tribal lands. The trial is estimated to last 2-4 days. The Tribe has requested the court order ejectment within one year.

¹³ United States Environmental Protection Agency webpage, “Overview of the Safe Drinking Water Act,” accessible at: [Overview of the Safe Drinking Water Act | US EPA](#), last updated January 23, 2025. The SDWA was most recently amended in 1996.

¹⁴ United States Environmental Protection Agency webpage, “Overview of the Safe Drinking Water Act,” accessible at: [Overview of the Safe Drinking Water Act | US EPA](#), last updated January 23, 2025.

standards as stringent as those under the federal SDWA, and more protective of public health than those in the federal act.¹⁵ It was the legislature’s further intent that the state SDWA will “provide for the orderly and efficient delivery of safe drinking water within the state” and to ensure that every California resident “has the right to pure and safe drinking water.”¹⁶

As an investor-owned water utility, Havasu is subject to the jurisdiction and oversight of the Commission, and the US EPA who oversees Havasu’s public water system to ensure it complies with the federal SDWA.¹⁷ The Commission’s inherent power to regulate investor-owned public utilities and broad authority to secure compliance with its orders rests chiefly on Public Utilities Code §§ 701 and 702. Section 701 confers on the Commission vast, inherent power to do all things necessary to supervise and regulate every public utility in the state.¹⁸ Section 702 provides:

Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility, and shall do everything necessary or proper to secure compliance therewith by all of its officers, agents, and employees.

Furthermore, Public Utilities Code § 2701 emphasizes the Commission’s authority over specific public utilities like water companies and provides in relevant part, “any person, firm, or corporation . . . owning, controlling, operating, or managing any water system within this State, who sells, leases, rents, or delivers water to any person, . . . whether

¹⁵ Health and Safety Code § 116270, subd. (f).

¹⁶ Health and Safety Code § 116270, subs. (a) and (g).

¹⁷ Prior to January 1, 2024, SWRCB had jurisdiction and oversight of Havasu’s public water system to ensure compliance with the state SDWA. The transfer of oversight occurred because a court determined that Havasu’s water system is located within the boundaries of the Chemehuevi Indian Tribe and the US EPA regulates public water systems within the boundaries of Tribal Reservations in California. (See <https://www.epa.gov/ca/hwc#transfer>.)

¹⁸ The Commission has “vast, inherent power to take any action that is cognate and germane to utility regulation, supervision, and ratesetting, unless specifically barred by statute.” (See *So. Cal. Edison Co. v. Pub. Utils. Com.* (2014) 227 Cal.App.4th 172, 187; see also Pub. Util. Code § 701.)

under contract or otherwise, is a public utility, and is subject to . . . the jurisdiction, control, and regulation of the commission.”

GO 103-A establishes the rules governing water service for investor-owned water utilities, including minimum standards for operation, maintenance, design and construction. Section II.2.A.2 outlines the concurrent jurisdiction shared by the Commission, the SWRCB (prior to January 2024), and the US EPA over water quality and supply requirements applicable to water utilities. The Commission is responsible for the oversight and enforcement of GO 103-A rules, which require that each utility operate its water and wastewater system so as to deliver reliable, high-quality service to its customers at a reasonable cost.¹⁹ GO 103-A provides “each water utility shall ensure that it complies with the [SWRCB’s] permit requirements and all applicable drinking water regulations,” and all applicable state and federal laws pertaining to water quality, including all related regulations of the [SWRCB] and the US EPA, and all additional requirements of the Commission.²⁰

GO 103-A further provides that each utility shall provide for the continuity of water service, make reasonable efforts to prevent service interruptions, and when such service interruptions occur, shall reestablish service with the shortest possible delay to customers while being consistent with the safety of its customers, its employees, and the public.²¹ In addition to GO 103-A, the Commission has issued resolutions and decisions outlining the scope and authority of the Commission to enforce compliance by water and sewer utilities with the Commission’s orders and the Public Utilities Code, including Resolutions W-4799 and M-4846.²²

¹⁹ GO 103-A, Section II.1.A., at 9.

²⁰ Go 103-A, Section II.1.A and Section II.2.A.(2), at 9.

²¹ GO 103-A, Section II.3.A. (1).

²² Resolution M-4846, *Resolution Adopting Commission Enforcement Policy*, November 6, 2020.

IV. WD’S INVESTIGATION OF HAVASU WATER COMPANY

Between March 2022 and May 2025, the Commission’s Consumer Affairs Branch received a total of 91 informal complaints from Havasu customers.²³ Most of the informal complaints involved issues with outages, high bill amounts, and public safety concerns.²⁴ Havasu did not invest in improvements to its water system to address customers’ concerns. Instead, Havasu filed over a dozen small claims suits in the local superior court against its customers.²⁵ On or around February 2023, multiple Havasu customers filed formal complaints with the Commission regarding water service and quality issues, and improper water service charges (i.e. charging customers late fees and threatening or actually disconnecting water service, and public safety).²⁶ A total of nine formal complaints were filed with the Commission between February 2023 and October 2024.²⁷ The Commission issued decisions in and closed four of the nine complaints.²⁸ In all four issued decisions, the Commission agreed with complainants that Havasu failed to provide safe and clean water or sufficient water service, and ordered Havasu to remove all late fees from customers’ bills.²⁹ In at least one instance, Havasu disregarded the Commission’s decision and re-billed the complainants for the disputed bill amounts.³⁰ This resulted in the assigned Administrative Law Judge (ALJ), Lena Alfary, issuing an Order to Show Cause why Havasu should not be sanctioned for their actions in seeking

²³ Staff Report, at 32-33.

²⁴ Staff Report, at 32-33.

²⁵ Staff Report, at 33.

²⁶ Staff Report, at 26-32.

²⁷ Staff Report, at 26-32.

²⁸ The Commission issued the following decisions: D.24-01-012, D.24-03-053, D.24-01-038, and D.23-11-092.

²⁹ Staff Report, at 30-32.

³⁰ Staff Report, at 31.

reimbursement from their customers for bills already adjudicated.³¹ The remaining five formal complaints are active and pending before the Commission.³²

In June of 2025, WD completed an investigation into Havasu’s practices based on Havasu’s alleged failure to comply with Commission regulations, ongoing water quality and service issues, and failure to comply with state and federal regulatory agencies. After WD completed its investigation, WD referred the matter to CPED for enforcement. Attachment A of this Order contains the CPED Staff Report of Wilson Tsai’s investigation, including but not limited to, data requests, customer complaints, and publicly available information. WD’s investigation uncovered evidence to support allegations that between 2022 and the present day, Havasu has violated Commission rules and decisions, state and federal laws governing the SDWA; demonstrated noncompliance with state and federal regulatory enforcement orders; failed to pay penalties; and demonstrated a pervasive and persistent pattern of disregard for the regulatory oversight of its water system.

V. SUMMARY OF ALLEGED VIOLATIONS

A. Havasu Water Company Violated Public Utilities Code § 451 and GO 103-A by Failing to Furnish and Maintain Safe and Reliable Water Service to Its Customers.

Public Utilities Code § 451 provides, “[e]very public utility shall furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment and facilities . . . as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.” GO 103-A, Sections II.1-A and II.3-A (1), require that each water utility provide reliable, high-quality service to its customers, at a reasonable cost, including preventing service interruptions and

³¹ Staff Report, at 24. See also, *Assigned Commissioner and Assigned Administrative Law Judge’s Cease and Desist Ruling, Order to Show Cause Why Defendant Should Not Be Sanctioned and Notice of Hearing*, June 3, 2024, Case 23-02-009 (ECP), at 1, 6, and Ordering Paragraph (OP) 1 at 7.

³² This OII does not discuss the merits of the pending formal complaints before the Commission as those are outside the scope of this OII. The OII mentions them for the purpose of describing Havasu’s alleged failure to provide adequate water service and quality to its customers.

minimizing the duration of service interruptions, consistent with the safety of its customers, employees, and the general public.

The CPED Staff Report alleges that Havasu has failed to furnish and maintain safe and reliable water service to its customers in violation of Public Utilities Code § 451 and GO 103-A, Sections III.8-B, VII.5-A, and II.3-E.³³ For example, as detailed in the Staff Report, after a systemwide water outage on March 21, 2022, Havasu allegedly failed to: (1) have a certified operator to operate its distribution system and water treatment plant, (2) have an adequate system in place to mitigate or prevent the systemwide power outage from occurring, (3) provide an alternate source of water to its customers during the outage, and (4) inform the Commission of the ongoing systemwide water outage.³⁴

Based on this systemwide water outage, the SWRCB, Division of Drinking Water (hereafter, SWRCB-DDW) performed a sanitary survey inspection on March 22, 2022.³⁵ The SWRCB-DDW found the system in a state of extreme disrepair and observed several potential cross connection hazards.³⁶ Havasu was found to be operating the system without a functioning generator for back-up power and with no certified operator present to run its water treatment plant and maintain the water system.³⁷ Having an uncertified operator may present an operational risk and public safety hazard to Havasu's customers because the water quality of the system's water cannot be guaranteed to be in compliance with state and federal water quality regulations.

The Staff Report alleges that the March 21, 2022, systemwide water outage was not an isolated incident. The Staff Report notes that the EPA's November 6, 2024, Emergency Administrative Order No. PWS-AO-2025-002 stated that since March 2022,

³³ GO 103-A Section III.8-B requires all water facilities to have adequate redundancy and reliability, including backup power. (GO 103-A, at 18). Section VII.5-A requires water utilities to ensure their water treatment and distribution facilities are operated by appropriately certified personnel, as deemed certified by the SWRCB. (GO 103-A, at 30.) Section II.3-E requires water utilities to notify the Commission as soon as possible after an emergency interruption involving its system. (GO 103-A, at 13.)

³⁴ Staff Report, at 17-18.

³⁵ Staff Report, at 4-5.

³⁶ Staff Report, at 5.

³⁷ Staff Report, at 4, 5, 17-18.

Havasu had ten reported outages to DDW and five reported outages to EPA and had been under a Boil Water Notice for approximately 300 days.³⁸ This means that Havasu customers were unable to drink or clean with the water coming into their homes almost 31% of the time between March 2022 and November 2024.

As further detailed in the Staff Report, WD issued several notices detailing violations of Public Utilities Code § 451 and GO 103-A, beginning with an April 1, 2022 Notice of Violation (NOV).³⁹ On July 26, 2022, WD issued a second NOV following Havasu's failure to respond to the April 1, 2022 NOV, noting an additional violation of GO 103-A and imposing corrective action directives.⁴⁰ WD issued several more enforcement actions between September 2022 and October 2024, including two additional NOV's and a Citation imposing a \$2,000 penalty.⁴¹ The Staff Report contends that Havasu's conduct demonstrates a pattern of noncompliance and flagrant disregard for the Commission's enforcement authority.

B. Havasu Water Company Has Improperly Upsized Customer's Meters in Violation of Public Utilities Code § 454, Commission General Orders, and Effective Tariffs Rules.

The Staff Report provides that in March and April 2025, Havasu began replacing customer's existing 5/8" x 3/4" water meters with larger 3/4" meters prior to obtaining the Commission's approval, and without properly notifying customers of the change. On May 5, 2025, WD received the first informal complaint from a Havasu customer who indicated that their water meter had been changed from 5/8 x 3/4" to a larger 3/4" meter, they were not notified of the change, and the change resulted in a rate increase as reflected in their next month's bill.⁴² On or around this same time, WD received multiple complaints from Havasu customers who indicated they were surprised to receive an

³⁸ Staff Report, at 14.

³⁹ Staff Report, at 17.

⁴⁰ Staff Report, at 17-18.

⁴¹ Staff Report, at 19-20.

⁴² Staff Report, at 23.

increase in their monthly bill due to their meters being replaced with larger meters, and without being given any notice of the meter upsizing.⁴³

Havasu is subject to the industry rules governing water service in GO 96-B, GO 103-A and the Commission’s approved Tariff Schedules applicable to Water Service. GO 96-B, Water Industry Rules 3.1 and 7.3.3, require a water utility to give notice to its customers, either by “bill insert or by separate mailing of an advice letter requesting approval or a more restrictive term or condition, or of a rate or charge increase.”⁴⁴ As alleged in the Staff Report, Havasu failed to file a Tier 3 AL or provide notice to its customers, as required by GO 96-B, prior to upsizing customer’s meters with the larger 3/4" meters, which resulted in an unauthorized change in practice and had overall detrimental bill impacts to its customers, in violation of GO 96-B.⁴⁵

Furthermore, Tariff Rule 12.B. requires Havasu to explain to every customer the applicable rate schedule and the customer’s “right to elect therefrom the option under which service is desired.”⁴⁶ Public Utilities Code § 454 states, in relevant part, a “public utility shall not change any rate or so alter any classification, contract, practice, or rule as to result in any new rate, except upon a showing before the commission and a finding by the commission that the new rate is justified.”⁴⁷ The Staff Report alleges Havasu failed to notify customers that it was changing their water meters with the larger 3/4" meters, and was nonresponsive to WD Staff’s data requests for written documentation to substantiate Havasu’s claim that the meter upsizing was necessary to comply with County ordinances.⁴⁸

⁴³ Staff Report, at 24. Per Havasu’s approved tariffs, the monthly service charge for 3/4” meters is \$43.39 more than for 5/8” meters, resulting in an annual rate increase of \$520.68 for meter upsizing to the 3/4" meters. (See Tariff Schedules applicable to Water Service for Havasu Water Service, Cal P.U.C Sheet No. 318-W, effective August 28, 2023, (HWC Tariff Schedules) Schedule No. 1, General Metered Service, at 14.)

⁴⁴ GO 96-B, Water Industry Rule 3.1, at 2.

⁴⁵ Staff Report, 24-25.

⁴⁶ HWC Tariff Schedules, at 48.

⁴⁷ Pub. Util. Code § 454, subd. (a).

⁴⁸ Staff Report, at 24-25.

WD issued a Cease and Desist Order under Public Utilities Code §§ 454 and 701 ordering Havasu to immediately cease and desist replacement of all 5/8 x 3/4" meters, cease from billing customers the higher service charge associated with the 3/4" meter size, and continue to bill customers at the rate for the 5/8 x 3/4" meters unless and until the Commission approves the change in practice. WD's Cease and Desist Order directed Havasu to submit a Tier 3 advice letter to the Commission for approval to upsize customers' meters to 3/4" meters.⁴⁹ The Cease and Desist Order further ordered a prohibition on Havasu from charging customers any late fees or other charges if a customer's payment meets or exceeds the appropriate billable amount for a 5/8 x 3/4" meter service charge.⁵⁰ On May 12, 2025, Havasu responded by challenging the Commission's authority to issue the Cease and Desist Order.⁵¹

Based on Havasu's failure to comply with the Cease and Desist Order, WD issued an NOV for violation of the Public Utilities Code and for failure to comply with the Cease and Desist Order.⁵² WD directed Havasu to comply with the Cease and Desist Order within 24 hours of issuance of the May 14 NOV, and instructed that a failure to comply with this directive may result in a penalty up to \$100,000. Based on the unauthorized upsizing of the water meters, the Staff Report contends Havasu is in violation of the Public Utilities Code, multiple Commission rules and orders, and various Commission issued enforcement orders.

C. Havasu Water Company Has Failed to Perform Required Maintenance on Fire Hydrants and Improperly Withheld Relevant Records from Commission Staff.

In addition to improperly upsizing customer's meters, the Staff Report alleges that Havasu violated the Commission's orders and Public Utilities Code §§ 451 and 2713

⁴⁹ Staff Report, at 25. *Cease and Desist Order*, Jennifer Hodges; Havasu Water Company, May 9, 2025, Issued by WD, Bruce DeBerry (Cease and Desist).

⁵⁰ Cease and Desist, at 2.

⁵¹ Staff Report, at 25-26.

⁵² Notice of Violation, Jennifer Hodges; Havasu Water Company, Issued by WD, Bruce DeBerry, May 14, 2025 (May 14 NOV).

when it failed to: (1) inspect all fire hydrants in its service area; (2) conduct repairs and replacements on fire hydrants, as needed, in its service area; (3) provide a record of all inspections, repairs, and replacements done to fire hydrants in its service area; and (4) provide all requested documents and records in response to WD’s data requests.⁵³ As outlined in Public Utilities Code § 2713, a water corporation subject to the jurisdiction and control of the Commission must have a written agreement with a fire entity providing fire protection services to furnish water for fire protection purposes in its service area.⁵⁴ GO 103-A, Section VI.5 reinforces this statutory requirement and includes a requirement for a Fire Hydrant Service Agreement (FHSA) between a water utility furnishing water services to an entity providing fire protection services in accordance with Public Utilities Code § 2713. GO 103-A states, “in the absence of any written agreement between the water utility and the fire protection agency, the utility will be responsible for maintaining fire hydrant service to the extent of its means.”⁵⁵

The Staff Report alleges that WD was notified of specific concerns from Havasu customers and the San Bernardino County Fire Department (SBC Fire) that fire hydrants in Havasu’s service area were inoperable and/or lacking sufficient water supply.⁵⁶ WD coordinated with SBC Fire regarding the condition and jurisdiction over the fire hydrants to identify the concerns impacting Havasu customers and fire prevention efforts.⁵⁷ On October 11, 2024, WD issued a data request seeking records related to testing and maintenance for the system’s fire hydrants with a due date of October 18, 2024.⁵⁸ Havasu failed to provide a timely response. On March 7, 2025, WD issued a NOV to Havasu for violations of Public Utilities Code § 451 and GO 103-A, and directed Havasu

⁵³ Staff Report, at 21-22.

⁵⁴ Pub. Util. Code § 2713, subd. (a); Staff Report, at 22-23.

⁵⁵ GO 103-A, Section VI.5.E., at 26.

⁵⁶ Staff Report, at 21.

⁵⁷ SBC Fire is responsible for fire suppression efforts for customer homes in the Havasu’s service area. Based on communications with SBC Fire, WD learned that SBC Fire does not have a FHSA with Havasu Water Company to maintain fire hydrants.

⁵⁸ Staff Report, at 21-22.

to: (1) inspect all fire hydrants in its service territory; (2) make repairs and replacements as needed; and (3) provide WD with a record of all inspections, repairs, and replacements done by Havasu.⁵⁹ The Staff Report alleges that Havasu failed to comply with the corrective action directives outlined in the March 7, 2025 NOV.⁶⁰

Based on Havasu's alleged failure to comply with the March 7, 2025 NOV, WD issued Citation No: W.25-05-001 on May 12, 2025, to Havasu Water Company, assessing a \$10,000 penalty for violations of Public Utilities Code § 451 and GO 103-A.⁶¹ On June 12, 2025, WD received via electronic mail *Havasu Water Company, Inc.'s Application for Rehearing, Notice of Appeal, and Request for Oral Argument Re: May 12, 2025 Citation No. W-25-05-001*. On July 17, 2025, the Commission's Docket Office accepted Havasu's appeal of Citation No. W.-25-05-001 (Docket Number K.25-06-028).

D. Havasu Water Company Has Failed to Comply with the State and Federal Safe Drinking Water Act and State and Federal Regulatory Enforcement Orders.

Beginning on or around March 2022, WD staff began regular coordination with the SWRCB-DDW regarding Havasu's compliance with the state SDWA. Between March 2022 and December 2023, DDW issued a total of 10 citations and compliance orders asserting Havasu's ongoing non-compliance with the SDWA.⁶² Per DDW's citations and compliance orders, Havasu's noncompliance included missing deadlines for reporting on water quality, failure to comply with the corrective action plans, and non-responsiveness to issued citations, and unpaid penalties of more than \$100,000 to the SWRCB.⁶³ On December 12, 2023, DDW notified Havasu that it was transferring regulatory oversight of the SDWA to the US EPA.⁶⁴ On January 1, 2024, the US EPA

⁵⁹ Staff Report, at 22.

⁶⁰ Staff Report, at 23.

⁶¹ Staff Report, at 23.

⁶² Staff Report, at 5-10.

⁶³ Staff Report, at 5-10.

⁶⁴ Staff Report, at 10.

assumed regulatory oversight of the public water system owned by Havasu from the SWRCB-DDW.⁶⁵

From the time US EPA assumed regulatory oversight of Havasu roughly 18 months ago, the US EPA has ordered Havasu to issue five Boil Water Notices due to system failures, issued three orders for non-compliance with the federal SDWA for both operational and water quality issues, and issued an Emergency Administrative Order declaring emergency status due to repeated water outages, on-going non-compliance with safe contaminant levels, and water quality reporting that may endanger public health.⁶⁶ The US EPA’s timeline of actions in the table below identifies the over two dozen actions covering approximately a one-year period, regarding ongoing compliance issues with Havasu:

Timeline of EPA Actions⁶⁷	
Date	Activity
December 17, 2024	EPA conducted an on-site inspection at HWC that focused on Total Trihalomethanes (TTHMs) formation in the system.
December 13, 2024	EPA issued a notice of noncompliance (pdf) to HWC for failure to comply with the November Emergency Order.
November 11, 2024	EPA approved lifting the precautionary Boil Water Notice upon receipt of negative total coliform results.
November 6, 2024	EPA issued an emergency administrative order (pdf) to HWC due to repeated water outages.
November 4, 2024	A precautionary Boil Water Notice was required on November 4, 2024, following a water outage. Please see the notice the system is required to distribute.
October 22, 2024	EPA issued a fourth notice of noncompliance (pdf) to HWC for failing to meet the requirements of the May 2024 Order.

⁶⁵ See the US EPA’s website entitled, “Regulatory Oversight of the Havasu Water Company Public Water System, Needles, CA,” accessible at: <https://www.epa.gov/ca/hwc#timeline>.

⁶⁶ The EPA has created a public webpage to track the various orders and boil water notices, provide an overview of its jurisdiction, frequently asked questions (FAQs), and posted related documents. Accessible at: <https://www.epa.gov/ca/hwc>.

⁶⁷ Accessible at: [Regulatory Oversight of the Havasu Water Company Public Water System, Needles, CA | US EPA](#).

	Timeline of EPA Actions⁶⁷
Date	Activity
October 10, 2024	EPA approved lifting the Boil Water Notice after receiving negative total coliform results.
September 25, 2024	HWC had a water outage, leading to loss of pressure within the distribution system. EPA required a Boil Water Notice , which HWC sent to consumers via email on 9/25/24 and hand delivered on 10/1/24.
September 5, 2024	EPA and CPUC held an in-person community meeting to describe EPA and CPUC's actions regarding HWC. The written Questions and Answers document is available in the documents section .
August 7, 2024	EPA issued a third notice of noncompliance (pdf) to HWC for failing to meet the requirements of the May 2024 Order.
July 10, 2024	EPA issued a second notice of noncompliance (pdf) to HWC for failing to meet the requirements of the May 2024 Order.
June 28, 2024	EPA identified an additional ten significant deficiencies based on the May 2024 sanitary survey.
May 28, 2024	EPA issued an administrative order (pdf) (the May 2024 Order) to HWC for multiple SDWA violations.
May 17, 2024	EPA informed HWC about its failure to notify EPA about a change in the disinfection byproduct sampling location.
May 8, 2024	EPA conducted an on-site sanitary survey of HWC, which is a comprehensive evaluation of the water system.
May 3, 2024	EPA informed HWC that a Boil Water Notice should be issued for any future pressure loss situations.
April 29, 2024	EPA becomes aware of a power outage on April 26, 2024, that lasted at least 2.5 hours and a water outage that lasted longer.
April 26, 2024	EPA approved lifting the precautionary Boil Water Notice after HWC sufficiently demonstrated reliable data.
March 21, 2024	EPA required HWC to re-issue the precautionary Boil Water Notice as the data issues remained unresolved.
February 8, 2024	EPA required HWC to issue a precautionary boil water notice (sic) Boil Water Notice due to missing and unreliable surface water treatment data.
January 30, 2024	EPA identified seven significant deficiencies with the System based on the inspection.
January 1, 2024	Regulatory oversight transferred from DDW to EPA.
December 15, 2023	EPA and DDW conducted a public water system supervision inspection at HWC.

Timeline of EPA Actions⁶⁷	
Date	Activity
December 12, 2023	DDW notified HWC of the transfer of regulatory oversight to EPA starting January 1, 2024.
November 14, 2023	Original date for EPA and DDW's public water system supervision inspection before last minute cancellation by HWC.
November 2, 2023	EPA notified HWC of its oversight role instead of California's Division of Drinking Water as the System is located within the exterior boundaries of the Chemehuevi Indian Reservation.

Despite enforcement efforts by SWRCB-DDW and US EPA staff, the Staff Report contends that Havasu's water distribution and treatment plant remains in a state of extreme disrepair with the owner making minimal, if any, improvements over a prolonged period. As detailed in the Staff Report, WD has issued several enforcement notices for Havasu's failure to comply with the Public Utilities Code and General Order 103-A, including a citation assessing a \$10,000 penalty. the Staff Report contends that Havasu has failed to comply with the multiple notices of violation, citations, data requests, and other orders issued by WD. Since at least March 2022, Havasu also has a history of SWRCB and US EPA violations that it has failed to resolve. The Staff Report alleges that Havasu has exhibited a pattern of being unresponsive- to Commission, EPA, and SWRCB-DDW enforcement actions over a period of several years and has even questioned the Commission's jurisdictional authority over Havasu. Accordingly, the Staff Report contends that Havasu has failed to provide a safe and reliable water system and thus cannot adequately service its customers.

E. Havasu Water Company's Record of Noncompliance and Unresponsiveness Meets the Conditions Necessary to Seek Appointment of a Receiver.

Public Utilities Code § 1826, provides in relevant part:

Whenever 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, the commission may petition the superior court . . .

for the appointment of a receiver to assume possession of its property and to operate its system upon such terms and conditions as the court shall prescribe.

The Staff Report contends that the conditions justifying the appointment of a receiver are present here and that it is necessary to appoint a receiver to assume possession of Havasu to prevent further harm to the small community of Lake Havasu, San Bernardino County, California and its water service customers.

Per the Staff Report, since at least March 2022, Havasu, and its owner, Jennifer Hodges, have demonstrated a persistent and pervasive pattern of noncompliance and non-responsiveness with Commission issued citations, data requests, notices of violation, cease and desist orders, and related rules and regulations. Since this time, Havasu has also allegedly failed to comply with multiple notices of violations, citations, compliance orders, and enforcement orders issued by the US EPA and SWRCB-DDW. Havasu has been put on notice of the significant deficiencies in its water system and the need to repair those deficiencies to further prevent “health risk to the system and people served by the system.”⁶⁸

In addition, the Staff Report asserts that Havasu’s contentious litigation with the Tribe poses a serious and viable threat to providing reliable water service for its customers.⁶⁹ Per the Staff Report, due to the ongoing legal dispute between Havasu and the Tribe regarding the easement and Havasu’s unwillingness to negotiate new terms for the easement, Havasu’s access to its sole source of water may be terminated as early as December 2026.⁷⁰ If this happens, Havasu will be unable to adequately serve those people and customers on its system unless an alternative access or water source is identified.⁷¹

⁶⁸ Staff Report, at 13, see also footnote 69.

⁶⁹ Staff Report, at 44.

⁷⁰ Staff Report, at 3-4, 44.

⁷¹ Staff Report, at 4.

In sum, per the Staff Report, Havasu has been put on notice of violations for failure to comply with drinking water standards and has been issued citations and enforcement orders to implement corrective actions, but has failed to take any action to rectify known violations and to resolve outstanding deficiencies in its water system. The Staff Report argues that Havasu's gross pattern of misconduct, non-responsiveness, and persistent violations of the state and federal SDWA demonstrate why it is necessary to seek the appointment of a receiver to take possession of and operate Havasu Water Company.

As explained in the Staff Report, Havasu customers have submitted numerous complaints regarding poor water quality, prolonged water outages, improper water service charges, inoperable fire hydrants, and overall public health and safety concerns. Havasu has allegedly taken an adversarial approach to customer complaints.⁷² The Staff Report further contends that Havasu has demonstrated that it is unwilling to adequately serve its ratepayers and has been unresponsive to the Commission's orders. The Staff Report points to, for example, Havasu's alleged disregard for the SWRCB-DDW's seven issued citations, two compliance orders, and failure to comply notice, including a failure to pay outstanding assessed penalties, for the period from March 29, 2022, to December 2, 2023.⁷³ The Staff Report also identifies Havasu's equal disregard for the US EPA's administrative orders, which cite multiple violations of the federal SDWA, Havasu's failure to meet qualified operator requirements, and its failure to properly notify its customers as further proof that Havasu is unable to effectively and adequately serve its customers.⁷⁴

The Staff Report argues that Havasu's conduct, including that described above, meets the conditions necessary for the Commission to petition the superior court for the

⁷² On more than one occasion, Havasu has requested that the San Bernardino County Sheriff's Office arrest customers for alleged nonpayment of bills. Ms. Hodges, owner of Havasu, has also filed over a dozen small claims suits in San Bernardino County Superior Court against a number of Havasu customers alleging unpaid bills. (See Staff Report, at 33, 43 and Attachment 52.)

⁷³ Staff Report, at 5-10.

⁷⁴ Staff Report, at 10-15.

appointment of a receiver under Public Utilities Code § 1826, including unwilling to adequately serve its ratepayers, and unresponsive to the rules and orders of the Commission.

F. Misrepresentations Made to Commission Staff in Violation of Rule 1.1 and Disrespect to the Commission

The Staff Report alleges that Havasu made several misrepresentations to Commission Staff and demonstrated disrespect to the Commission in violation of Rule 1.1, including the following:

1. Havasu falsely stated in an email response that the reason for the meter upsizing was because of County requirements.⁷⁵
2. Havasu failed to provide documents in response to WD staff's data requests.⁷⁶
3. Havasu misled the Commission by submitting false information in its advice letter filing, AL 52-W.⁷⁷
4. Havasu engaged in a pattern of misconduct and disrespect due to the Commission.⁷⁸
5. Havasu failed to comply with the Commission's decision in a formal complaint and was ordered to show cause why it should not be sanctioned.⁷⁹

The Staff Report asserts that these misrepresentations violate Rule 1.1, which would warrant the imposition of additional penalties pursuant to Public Utilities Code §§ 2107 and 2108.

⁷⁵ Staff Report, at 40-41.

⁷⁶ Staff Report, at 21-22, 23-24, 40-41.

⁷⁷ Staff Report, at 39-40.

⁷⁸ Staff Report, at 28, 38-39, 41.

⁷⁹ ALJ Alfary issued a ruling and order to show cause why Havasu should not be sanctioned after Havasu attempted to collect and demand money back from its customers after a final decision was issued (D.24-03-053) and before a formal request for rehearing had been filed, let alone granted. (See *Assigned Commissioner and Assigned Administrative Law Judge's Cease and Desist Ruling, Order to Show Cause Why Defendant Should Not Be Sanctioned and Notice of Hearing*, June 3, 2024, Case 23-02-009 (ECP), at 5-6).

VI. INITIATION OF INVESTIGATION AND ORDER TO SHOW CAUSE

The Commission institutes this formal proceeding pursuant to Rule 5.1. We will consider the allegations in the Staff Report to determine whether Havasu Water Company violated provisions of the Public Utilities Code, General Orders, Commission decisions, resolutions, or other applicable rules or requirements pertaining to its obligations as a Class D water utility. The Staff Report provides us with sufficient evidence and good cause to commence a formal investigation to determine whether such violations have occurred and, if so, to consider the proper penalties and remedies for such violations.

This OII places Havasu Water Company on notice and provides an opportunity for Havasu Water Company to be heard. Havasu Water Company may submit evidence, information, or documents on its behalf in this proceeding.

If the Commission determines that violations have occurred, the Commission finds that good cause exists to order Havasu to appear and show cause why the Commission should not authorize Legal Division to petition the Superior Court for the appointment of a receiver, and why Havasu should not be fined or have any other sanctions, remedies, or corrective action imposed as a result of the alleged violations detailed in the Staff Report.

VII. PRELIMINARY SCOPING MEMO

Rule 7.1(c) provides that an OII shall attach a preliminary scoping memo. The following discussion meets this requirement.

A. Issues

The scope of the issues in this proceeding are preliminarily determined to be:

- A. Did Havasu Water Company violate the state and federal Safe Drinking Water Act, Public Utilities Code §§ 451, 454, 491, 701, 702, 2713; Commission General Orders 96 B and 103-A; Resolutions W-4799 and M-4846; Decision 92-03-093; and any other applicable laws and regulations?
- B. Did Havasu Water Company's representations and failures to respond to WD's data requests and misrepresentations violate Rule 1.1 of the Commission's Rules of Practice and Procedure?

- C. Should the Commission order Havasu to pay the \$2,000 penalty issued by WD, including a ten percent penalty for late payment of Citation # W.22-09-001?
- D. Should the Commission order Havasu to pay the \$10,000 penalty issued by WD, including a ten percent penalty for late payment of Citation # W.25-05-001?
- E. Should the Commission petition the Superior Court for the appointment of a receiver to assume possession of Havasu Water Company's property and operate its system?
- F. If violations are found, what monetary penalties should be assessed?
- G. In addition to monetary penalties, should the Commission impose other corrective measures and remedies on Havasu Water Company for its conduct during the Commission's investigation?

As part of its consideration of the issues identified above, this OII shall include Havasu's June 7, 2025 electronic email to the Commission's Water Division titled *Havasu Water Company, Inc.'s Application for Rehearing, Notice of Appeal, and Request for Oral Argument Re: May 9, 2025 Cease & Desist Letter and May 14, 2025 Notice of Violation*. Additionally, because Havasu's citation appeal Docket Number K.25-06-028 contains similar and overlapping issues, in the interests of ensuring these issues be addressed in a comprehensive and consistent manner, and to conserve Commission and party resources, K.26-06-028 will be consolidated and considered with this OII.

B. Category and Preliminary Hearing

Rule 7.1 (c) specifies that an "order instituting investigation shall determine the category of the proceeding [and] preliminarily determine the need for a hearing." This investigation is categorized as adjudicatory as defined in Rule 1.3(a). We expect disputed issues of material fact and therefore preliminarily determine evidentiary hearings will be necessary.

C. Schedule

Pursuant to Rule 7.6(a)(3), appeals of the categorization of this investigation, if any, are to be filed within 10 days of the date this OII is issued. Within 30 days of the mailing date of this OII, Respondent shall file and serve a response to the preliminary scoping memo. Responses to this preliminary scoping memo may also be filed and served within 30 days of the date this OII is issued. Pursuant to Rule 5.2, responses shall state “any objections to the preliminary scoping memo regarding the need for hearing, issues to be considered, or schedule.” Replies to responses may be filed and served within 10 days of the due date for responses.

Pursuant to Rule 7.2(a), the Assigned Commissioner shall set a prehearing conference for 45 to 60 days after the initiation of this proceeding or as soon as practicable after the Commission makes the assignment. The Assigned Commissioner shall also issue a scoping memo setting forth the scope of the proceeding and establishing a procedural schedule. Because of the evidence presented in the Staff Report of serious ongoing harm to Havasu’s water service customers if a receiver is not appointed in a timely manner, the Commission will expedite consideration of this OII and adopt a decision within six months of issuance of this OII.

EVENT	DATE
Appeal of Categorization	10 days after issuance of this OII
Havasus response to Preliminary Scoping Memo	30 days after issuance of this OII
Replies to Comments on Preliminary Scoping Memo due	10 days after Responses on scope and issues in the Preliminary Scoping Memo are due
Prehearing Conference	To be scheduled by the assigned Administrative Law Judge
Commission Decision issued	To be determined in the final scoping Memo

VIII. PARTIES AND SERVICE LIST

Havasus Water Company is named as a Respondent to this investigation. CPED is named as a party to this proceeding. The initial service list for this proceeding is set forth

in an Ordering Paragraph and includes Havasu and CPED. The official service list may be updated with additional parties.

IX. PUBLIC ADVISOR

Any person or entity interested in participating in this investigation who is unfamiliar with the Commission's procedures should contact the Commission's Public Advisor's Office in San Francisco at (866) 849-8390, or email public.advisor@cpuc.ca.gov. The TTY number is (866) 836-7825. Written communication may be sent to the Public Advisor, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102.

X. INTERVENOR COMPENSATION

A party that expects to request intervenor compensation for its participation in this investigation shall file its notice of intent to claim intervenor compensation in accordance with Rule 17.1.

XI. EX PARTE COMMUNICATIONS PROHIBITED

Rule 8 applies to all communications with decision-makers and advisors regarding the issues in this proceeding. This proceeding is categorized as adjudicatory, and Rule 8.3(b) prohibits all *ex parte* communications.

Therefore, **IT IS ORDERED** that:

1. In accordance with Rule 5.1, the Commission institutes this Order Instituting Investigation and Order to Show Cause on its own motion to determine whether Havasu Water Company violated any provisions of General Orders (GO) 103-A, GO 96-B, Decision 92-03-093, Resolution W-4799, Resolution M-4846, Public Utilities Code §§ 451, 454, 491, 701, 702, 2713, Rule 1.1 of the Commission's Rules of Practice and Procedure, and any other statutes and Commission decisions and resolutions pertaining to the maintenance, operations, and practices of its water system.

2. Havasu Water Company is ordered to appear and show cause why the Commission should not:

- A. Order it to pay the \$2,000 penalty issued by WD, including a ten percent penalty for late payment of Citation # W.22-09-001.
- B. Order it to Pay the \$10,000 penalty issued by WD, including a ten percent penalty for late payment of Citation # W.25-05-001.
- C. Order it to pay a penalty for failing to comply with General Orders (GO) 103-A, GO 96-B, Decision 92-03-093, Resolution W-4799, Resolution M-4846, Public Utilities Code §§ 451, 454, 491, 701, 702, 2713 and Rule 1.1 of the Commission's Rules of Practice and Procedure.
- D. Petition the Superior Court for appointment of a receiver to assume possession of its property and operate its system.
- E. Impose additional remedies and corrective action for Havasu's conduct during the Commission's investigation.

3. Havasu Water Company is a Respondent to this Investigation and shall be subject to Commission orders in this matter.

4. Havasu Water Company shall file and serve a response to the Preliminary Scoping memo within 30 days of the mailing date of this Order.

5. The Consumer Protection and Enforcement Division is a party to this Investigation.

6. A copy of the Consumer Protection and Enforcement Division's Staff Report entitled: "*Investigation of Havasu Water Company's (WTD-352) Compliance With California Public Utilities Commission Regulations and Ongoing Water Quality And Service Issues, by Wilson Tsai, Water Division*" is included as Attachment A of this OII.

7. CPED Staff may submit under seal confidential information obtained from Havasu Water Company, Jennifer Hodges, P.O. Box 1690, Havasu Lake, CA 92363, or to seek an order authorizing disclosure of confidential information from the assigned Administrative Law Judge pursuant to Public Utilities Code § 583 and/or General Order 66-D in the course of this proceeding.

8. The preliminary scope of issues for this Investigation is as stated in the body of this Order.

9. Havasu Water Company is hereby given notice that fines or other remedies may be imposed in this matter.

10. This proceeding is classified as adjudicatory, as that term is defined in Rule 1.3(a). Under Rule 7.6, this Order is appealable only as to category no later than 10 days after the date of this Order.

11. Parties shall file responses on the scope and issues identified in the preliminary scoping memo within 30 days of the date this Order is issued.

12. Parties may file replies to responses on the scope and issues identified in the Preliminary Scoping Memo within 10 days of the date the responses are due.

13. *Havasu Water Company, Inc.'s Application for Rehearing, Notice of Appeal, and Request for Oral Argument Re: May 12, 2025 Citation No. W-25-05-001, Docket Number K.25-06-028*, is consolidated with this Order Instituting Investigation and Order to Show Cause.

14. The assigned Commissioner or Administrative Law Judge may adjust the schedule identified herein.

15. A party that expects to request intervenor compensation for its participation in this investigation shall file its notice of intent to claim intervenor compensation in accordance with Rule 17.1.

16. *Ex parte* communications are prohibited as set forth in Rule 8.2(b).

17. The service list for this proceeding is set forth below. This list includes the Respondent Havasu Water Company and the Consumer Protection and Enforcement Division. Persons may seek party status pursuant to Rule 1.4.

18. The Executive Director shall cause a copy of this Order to be served by certified mail, return receipt requested, on the Respondent Havasu Water Company and a hard copy to each person listed below:

Jennifer Hodges
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HavasusWater@Outlook.com

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Chairman Glenn Lodge
Chemehuevi Indian Tribe
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Havasus Lake, CA 92363
chairman@cit-nsn.gov

Karly Ho
U.S. Environmental Protection Agency
Region IX Office of Regional Counsel
75 Hawthorne Street, ORC-2
San Francisco, CA 94105
Ho.Karly@epa.gov

This order is effective today

Dated August 14, 2025, at Sacramento, California.

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

MATTHEW BAKER

Commissioners

ATTACHMENT A

CONSUMER PROTECTION AND ENFORCEMENT DIVISION'S STAFF REPORT



**CALIFORNIA PUBLIC UTILITIES COMMISSION
CONSUMER PROTECTION AND
ENFORCEMENT DIVISION**

STAFF REPORT

**INVESTIGATION OF
HAVASU WATER COMPANY'S (WTD352) COMPLIANCE
WITH CALIFORNIA PUBLIC UTILITIES COMMISSION
REGULATIONS AND ONGOING WATER QUALITY
AND SERVICE ISSUES**

By Wilson Tsai
Water Division
August 4, 2025

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I. EXECUTIVE SUMMARY

This report describes the results of the California Public Utilities Commission's (Commission) Water Division (WD) staff's investigation of WTD-352 Havasu Water Company's (Havasu or HWC) failure to comply with Commission regulations and its ongoing water quality and service issues with various state and federal regulatory agencies. This report also describes several other issues including informal and formal customer complaints, public safety issues, and the ongoing legal dispute with the Chemehuevi Indian Tribe (Tribe). WD Staff alleges that:

1. Havasu violated Public Utilities (Pub. Util.) Code Section 451, General Order (GO) 103-A, Section II.1, and state and federal Safe Drinking Water Acts for failing to properly repair and maintain its water distribution and treatment systems to produce safe and reliable water quality. These violations have occurred since at least March 2022.

2. Havasu violated Pub. Util. Code Sections 451 and 2713, and GO 103-A, Section VI.5 for failing to properly service and maintain fire hydrants within its service territory.

3. Havasu violated Pub. Util. Code Sections 454 and 491 and its Tariff Rules 12.B and 12.C by failing to obtain proper authorization prior to upsizing its customers' water meters and increasing their monthly charges and failing to properly notify its customers of the increase.

4. Havasu violated Pub. Util. Code 701 and 702 for failing to respond or take appropriate corrective actions to various citations and notices of violations issued by the Commission.

5. Havasu's ongoing legal dispute with the Chemehuevi Indian Tribe poses a threat to the provision of reliable water service to its customers and therefore violates Pub. Util. Code Section 451.

6. Havasu violated GO 103-A, Section II.3-C for failing to obtain necessary permits and making adequate repairs on public rights-of-way.

7. The owner of Havasu, Jenniffer Hodges, made misrepresentations and took actions that exhibit blatant disregard of Commission authority and disrespect to

Commission staff, thus violating Rule 1.1 of the Commission’s Rules of Practice and Procedure.

Based on these findings, staff believes Havasu is unable to or unwilling to adequately serve Havasu’s ratepayers and is unresponsive to the rules or orders of this Commission. Accordingly, WD recommends the Commission open an Order Instituting Investigation (OII) based on CPED’s allegations and order Havasu to show cause as to why the Commission should not:

1. Petition the Superior Court for the appointment of a receiver to assume possession of Havasu Water Company’s property and operate its system upon such terms and conditions as the court shall prescribe,
2. Impose penalties and interests on Havasu for violations and noncompliance with the Commission’s orders and for imposing ongoing harm to the regulatory process, and
3. Impose other remedies for Havasu’s unlawful and harmful practices to customers’ safety.

II. BACKGROUND

Havasu is a Class D¹ investor-owned water utility with 226 metered service connections. The 226 metered service connections are comprised of 207 service connections with 5/8 x 3/4" meters, 18 service connections with 1-inch meters, and one 1.5-inch service connection.² Jennifer Hodges is the current sole owner of Havasu. Ms. Hodges took ownership of Havasu after the previous owner, Mary Hodges, passed away. However, Havasu never filed a Tier 2 advice letter for this transfer of ownership as required by GO 96-B Water Industry Rule 7.3.2(9) and Pub. Util. Code Section 853(c)³

¹ As defined by General Order 96-B, Water Industry Rule Section 1.2, Class D investor-owned water utilities are those with less than 500 service connections.

² Attachment 1 – Havasu Water Company 2024 Annual Report, Havasu Water Company, April 25, 2025.

³ Pub. Util. Code Section 853(c) states: “The provisions of [Sections 851](#) and [854](#) that prohibit any assignment, acquisition, or change of control without advance authorization from the commission, do not apply to the transfer of the ownership interest in a water utility, with 10,000 or fewer service connections, from a decedent to a member of the decedent's family in the manner provided in [Section 240 of the Probate Code](#) or by a will, trust, or other instrument.”

Havasus service area is located in the unincorporated community of Havasu Lake in San Bernardino County (County). The sole source of water for the system is Lake Havasu. Havasu accesses Lake Havasu via a supply line connecting the lake to Havasus water treatment facility, which crosses Chemehuevi Indian Tribe (Tribe) tribal lands via an easement that expired in 2006.⁴

A. Legal issue involving Havasus easement with Chemehuevi Indian Tribe

Havasus access to Lake Havasu is through a supply line that crosses Chemehuevi Indian Tribe (Tribe) lands via an easement. The terms of the easement agreement ended in June 2006. Despite efforts by the Tribe, Havasu was unwilling to negotiate new terms for the easement.

In March 2020, the Tribe filed a complaint against Havasu in the U.S. District Court for the Central District of California, alleging trespass and other claims.⁵ On July 28, 2022, the district court granted partial summary judgment in the Tribes favor.⁶ The court directed the parties to pursue settlement on the limited issue of determining the amount of damages Havasu owes to the Tribe for previous ongoing trespass.⁷ To date, a settlement on damages had not been reached and the matter is scheduled for trial in December 2025.⁸

⁴ This easement is the subject of a complaint filed in March 2020 by the Tribe against Havasu Water Company in the U.S. District Court for the Central District of California, alleging trespass and other claims. First Amended Complaint, *Chemehuevi Indian Tribe v. Havasu Water Co.*, No. 5:20-cv-00471-GW-KK (C.D. Cal. July 29, 2020).

⁵ First Amended Complaint, *Chemehuevi Indian Tribe v. Havasu Water Co.*, No. 5:20-cv-00471-GW-KK (C.D. Cal. July 29, 2020).

⁶ Attachment 2 – *Chemehuevi Indian Tribe v. Havasu Water Co. et al.*, No. EDCV 20-471-GW-KKx, at 23 (C.D. Cal. July 28, 2022).

⁷ Attachment 3 – Minutes of Hearing on Summary Judgment, *Chemehuevi Indian Tribe v. Havasu Water Co. et al.*, No. EDCV 20-471-GW-KKx, from July 28, 2022; Tentative Ruling on Monetary Consequences, *Chemehuevi Indian Tribe v. Havasu Water Co. et al.*, No. EDCV 20-471-GW-KKx; filed October 20, 2022; Minutes of Hearing on Monetary Consequences, *Chemehuevi Indian Tribe v. Havasu Water Co. et al.*, No. EDCV 20-471-GW-KKx, from October 24, 2022.

⁸ Attachment 4 – Scheduling Conference Minutes, *Chemehuevi Indian Tribe v. Havasu Water Co. et al.*, No. EDCV 20-471-GW-KKx; from March 20, 2025.

1 The Tribe is seeking removal of the pipe providing Havasu access to Lake Havasu
2 within one year via a proposed order.⁹ If granted, Havasu’s access to Lake Havasu may
3 be terminated as early as December 2026, and Havasu will be unable to serve its
4 customers unless an alternative access or water source can be identified.

5 **B. Various State and Federal Regulatory Agencies**
6 **Overseeing Havasu**

7 As part of the Commission’s mission to assure access to safe and reliable utility
8 infrastructure and services, WD enforces the Pub. Util. Code and GO 103-A, which are
9 the standards for the design, construction, operation, and maintenance of water and
10 wastewater utilities. Many of the provisions within GO 103-A require water utilities to
11 be in compliance with the requirements of the utility’s operating permit and with either
12 the state Safe Drinking Water Act (SDWA)¹⁰, regulated by the State Water Resources
13 Control Board’s Division of Drinking Water (DDW), or the federal SDWA, administered
14 by the United States Environmental Protection Agency (EPA). While the Commission
15 oversees rates and service, the SDWA govern water quality and safety standards. It is this
16 shared regulatory oversight over drinking water quality and service that compelled WD to
17 collaborate with both DDW and the EPA on issuing enforcement actions against Havasu.

18 **C. Violations of the State Safe Drinking Water Act**

19 Since at least 2022, Havasu has failed to comply with the State SDWA as required
20 by GO 103-A, Section II.1-B. On March 21, 2022, Havasu experienced a systemwide
21 water outage due to a power outage sustained by Southern California Edison Company.¹¹
22 Havasu was unable to bring the water system back online for six days because no onsite
23 certified operators were present to maintain both Havasu’s water treatment plant and
24 distribution system. Havasu’s previously employed certified distribution and treatment

⁹ Attachment 5 – Proposed Order of Ejectment, *Chemehuevi Indian Tribe v. Havasu Water Co. et al.*, No. EDCV 20-471-GW-KKx, filed March 6, 2025.

¹⁰ The California Safe Drinking Water, established in 1976, set state specific standards and regulatory authorities for drinking water safety.

¹¹ Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, p. 8.

1 plant operators resigned on December 31, 2021 and March 4, 2022, respectively.¹² Since
2 then, the Havasu has been run by an uncertified operator.¹³ A T2 operator contacted by
3 Havasu visited the system on March 20, 2022, but could not operate the system.¹⁴
4 Subsequently, another T2 operator sent by the California Water/Wastewater Agency
5 Response Network was unable to operate the Havasu system on March 23, 2022.¹⁵ The
6 previous T2 operator contracted by Havasu visited the system on March 25, 2022 was
7 able to operate the treatment plant.¹⁶ Havasu was then directed by DDW to issue a Do
8 Not Drink Notice on March 26, 2022.¹⁷ In addition, Havasu's sole backup power
9 generator, required for redundancy in case of emergency,¹⁸ was inoperable when the
10 power outage occurred.

11 On March 22, 2022, DDW conducted a sanitary survey of Havasu and found the
12 system in a state of extreme disrepair and observed several potential cross connection
13 hazards.

14 On March 29, 2022, DDW issued Compliance Order No. 05-13-22R-001 to
15 Havasu for violations of the California Code of Regulations (CCR) and state Safe
16 Drinking Water Act (SDWA) for failing to comply with primary drinking water
17 standards, failing to maintain the minimum operating pressure of 20 pounds per square
18 inch (psi) throughout its distribution system, failing to deliver public notice to customers
19 in a timely manner, failing to have a certified water distribution system and water
20 treatment operator available or on-site at all times,¹⁹ and several other failures for its

¹² Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, p. 7.

¹³ Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, p. 7.

¹⁴ Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, p. 8.

¹⁵ Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, pp. 8-9.

¹⁶ Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, p. 9.

¹⁷ Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, pp. 9-10.

¹⁸ General Order 153, Sec III.8.B.

¹⁹ DDW requires a certified water distribution operator with a Grade 1 certificate (D1) and a certified treatment operator with a Grade 2 certificate (T2) for Havasu Water Company. See Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, Directive 3, p. 11

1 inadequate water treatment plant.²⁰ The Compliance Order directed Havasu to resolve all
2 listed deficiencies by the following deadlines: 1) operate its facilities in a reliable manner
3 meeting the minimum 20 psi by April 1, 2022; 2) obtain the appropriate certified
4 operators for both its distribution system and treatment plant by April 12, 2022; and 3)
5 comply with primary drinking water standards by April 12, 2022.²¹ Havasu failed to
6 resolve all listed deficiencies by their respective deadlines.

7 On May 6, 2022, DDW issued Citation No. 05-13-22C-015 to Havasu for failing
8 to comply with water operator requirements and surface water treatment rules specified in
9 the CCR and state SDWA.²² Havasu failed to provide documentation regarding
10 procurement of a certified D1 operator for its distribution system.²³ In addition, DDW
11 noted Havasu's treated water continued to exceed the maximum turbidity amount as
12 mandated by the SDWA.²⁴ DDW's Citation directed Havasu to comply with all operator
13 and surface water standards by May 10, 2022 and assessed a penalty of \$1,500. Havasu
14 failed to comply with the Citation directives by the deadline and the penalty remains
15 unpaid to date.

16 On July 28, 2022, DDW issued Citation No. 05-13-22C-019 to Havasu for failing
17 to comply with primary drinking water standards, failing to have a certified on-site water
18 distribution system and treatment plant operator, and failing to deliver public notices in
19 the required timeframe for a water main leak that occurred on July 5, 2022.²⁵ The water
20 main leak in question occurred within Havasu's distribution system. Havasu had
21 difficulty identifying the location of the distribution valves to isolate the leak which
22 delayed repairs.²⁶ On July 12, 2022, DDW required Havasu to issue a precautionary boil

²⁰ Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022.

²¹ Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, pp. 11-13.

²² Attachment 7 – Citation No. 05-13-22C-015, DDW, May 6, 2022.

²³ Attachment 7 – Citation No. 05-13-22C-015, DDW, May 6, 2022, p. 5.

²⁴ Attachment 7 – Citation No. 05-13-22C-015, DDW, May 6, 2022, p. 7.

²⁵ Attachment 8 – Citation No. 05-13-22C-019, DDW, July 28, 2022.

²⁶ Attachment 8 – Citation No. 05-13-22C-019, DDW, July 28, 2022, p. 4.

1 water notice to all customers as DDW staff received a large volume of calls from Havasu
2 customers regarding low pressure and service outages.²⁷ Havasu failed to issue the boil
3 water notice within the required 24-hour period.²⁸ DDW later found out that Havasu had
4 only served boil water notices to the six service connections located on the street where
5 the leak occurred.²⁹ Havasu indicated that the repair was completed on July 12, 2022, but
6 failed to provide the required bacteriological sampling results until July 22, 2022, which
7 resulted in a prolonged boil water notice period.³⁰

8 On August 4, 2022, DDW issued Citation No. 05-13-22C-028³¹ to Havasu for
9 failing to demonstrate that it hired qualified operators for work required to be performed
10 by operators,³² failing to submit a Corrective Action Plan as required by Compliance
11 Order No. 05-13-22R-001,³³ and failing to submit the required weekly water monitoring
12 reports.³⁴ The Citation assessed a penalty of \$3,000 which remains unpaid to date.

13 On September 14, 2022, DDW issued Compliance Order No. 05-13-22R-002 to
14 Havasu for failing to provide documentation showing compliance with the directives
15 from DDW's previously issued enforcement actions.³⁵ The Compliance Order required
16 Havasu to submit all records of treatment plant operations, operator logs, improvements
17 completed, inspection reports, and invoices for all repairs completed, materials
18 purchased, and inspections conducted since March 2022.³⁶ Havasu failed to comply with
19 these requirements in its entirety.

²⁷ Attachment 8 – Citation No. 05-13-22C-019, DDW, July 28, 2022, p. 5.

²⁸ Attachment 8 – Citation No. 05-13-22C-019, DDW, July 28, 2022, p. 5.

²⁹ Attachment 8 – Citation No. 05-13-22C-019, DDW, July 28, 2022, p. 6.

³⁰ Attachment 8 – Citation No. 05-13-22C-019, DDW, July 28, 2022, pp. 6-7.

³¹ Attachment 9 – Citation No. 05-13-22C-028, DDW, August 4, 2022.

³² Attachment 9 – Citation No. 05-13-22C-028, DDW, August 4, 2022, pp. 3-4.

³³ Attachment 9 – Citation No. 05-13-22C-028, DDW, August 4, 2022, pp. 4-6.

³⁴ Attachment 9 – Citation No. 05-13-22C-028, DDW, August 4, 2022, pp. 6-8.

³⁵ Attachment 10 – Compliance Order No. 05-13-22R-002, DDW, September 14, 2022, p. 6.

³⁶ Attachment 10 – Compliance Order No. 05-13-22R-002, DDW, September 14, 2022, pp. 6-8.

1 On February 8, 2023, DDW issued Citation No. 05-13-23C-005 to Havasu for
2 continued surface water treatment violations.³⁷ These violations include the exceedance
3 of the Maximum Contaminant Level (MCL)³⁸ for disinfection byproducts including Total
4 Trihalomethanes (TTHM)³⁹ and Haloacetic Acids Five (HAA5).⁴⁰ In addition, Havasu
5 failed to comply with the Corrective Action Plan requirements specified in Compliance
6 Order No. 05-13-22R-001.⁴¹ The Corrective Action Plan required the submission of a
7 technical report regarding Havasu’s technical, managerial, and financial capacity and
8 sustainability, and information related to achieving the goals of affordability and
9 accessibility.⁴² As Havasu failed to provide this, DDW indicated in this Citation that the
10 “[DDW] has concerns about the technical, managerial, and financial capacity and
11 sustainability of [Havasus] operations and hence the provision of safe and reliable
12 drinking water to the community that [Havasus] serves.”⁴³ The Citation assessed a
13 penalty of \$61,500. DDW directed Havasu to pay \$1,500 of the penalty with the
14 remaining \$60,000 conditioned on completion of a list of tasks which include repairing
15 existing main breaks, revising the Corrective Action Plan, and implementing other
16 improvements to the system’s water treatment plant.⁴⁴ The \$1,500 penalty remains

³⁷ Attachment 11 – Citation No. 05-13-23C-005, DDW, February 8, 2023.

³⁸ Attachment 11 – Citation No. 05-13-23C-005, DDW, February 8, 2023, pp. 8-9.

³⁹ Total Trihalomethanes are a group of four chemicals formed when chlorine or other disinfectants are used to treat drinking water. Long-term exposure to TTHMs may increase the risk of bladder and colorectal cancer and other harmful effects to the human body. TTHMs can be ingested, absorbed through the skin, or inhaled as vapors. According to DDW, TTHMs are regulated at a maximum allowable annual average level of 80 micrograms per liter in drinking water.

⁴⁰ Haloacetic Acids Five are a group of five chemicals formed when chlorine or other disinfectants are used to treat drinking water. Similar to TTHMs, long-term exposure to HAA5 may increase risk of bladder cancer and other harmful effects to the human body. Unlike TTHMs, HAA5 can only be ingested. The MCL for HAA5 is 60 micrograms per liter in drinking water.

⁴¹ Attachment 11 – Citation No. 05-13-23C-005, DDW, February 8, 2023, pp. 9-12.

⁴² Attachment 11 – Citation No. 05-13-23C-005, DDW, February 8, 2023, pp. 12

⁴³ Attachment 11 – Citation No. 05-13-23C-005, DDW, February 8, 2023, p. 5.

⁴⁴ Attachment 11 - Citation No. 05-13-23C-005, DDW, February 8, 2023, pp. 15-17.

1 unpaid to date. In a December 4, 2023 Citation, DDW rescinded the suspension of
2 \$35,000 of the \$60,000 suspended penalty.⁴⁵

3 On June 12, 2023, DDW issued Citation No. 05-13-23C-035 to Havasu for failing
4 to meet monthly water testing and reporting requirements for total coliform and surface
5 water treatment.⁴⁶ A penalty of \$500 was included in this Citation and remains unpaid to
6 date.

7 On June 12, 2023, DDW also issued Citation No.05-13-23C-036 to Havasu for
8 failing to comply with Directives 8 and 10 of Citation No. 05-13-23C-005.⁴⁷ Directive 8
9 required that on or before March 1, 2023, Havasu must provide monthly updates on the
10 progress of complying with various deficiencies including the Corrective Action Plan,
11 TTHM MCL, and surface water treatment rule.⁴⁸ Havasu failed to comply with
12 providing monthly updates. Directive 10 required Havasu to notify all customers of its
13 previous violations of the SDWA starting March 1, 2023 and every three months
14 thereafter.⁴⁹ Havasu distributed the first public notice on March 1, 2023.⁵⁰ However,
15 Havasu failed to provide the required public notice for the three-month period ending on
16 June 1, 2023.⁵¹ DDW assessed a \$1,000 penalty in this Citation which remains unpaid to
17 date.

18 On August 23, 2023, DDW issued Citation No. 05-13-23C-039 to Havasu for
19 failing to provide monthly surface water treatments reports for May, June, or July 2023,⁵²
20 failing to provide monthly progress reports as required in Citation No. 05-13-23C-005

⁴⁵ According to DDW, Havasu completed the tasks associated with the remaining \$25,000 of the suspended penalty.

⁴⁶ Attachment 12 – Citation No. 05-13-23C-035, DDW, June 12, 2023.

⁴⁷ Attachment 13 – Citation No. 05-13-23C-036, DDW, June 12, 2023.

⁴⁸ Attachment 11 – Citation No. 05-13-23C-005, DDW, February 8, 2023, p. 10.

⁴⁹ Attachment 11 – Citation No. 05-13-23C-005, DDW, February 8, 2023, p. 10.

⁵⁰ Attachment 13 – Citation No. 05-13-23C-036, DDW, June 12, 2023, p. 3.

⁵¹ Attachment 13 – Citation No. 05-13-23C-036, DDW, June 12, 2023, p. 4.

⁵² Attachment 14 – Citation No. 05-13-23C-039, DDW, August 23, 2023.

1 and failing to comply with operator certification requirements. DDW assessed an \$800
2 penalty which remains unpaid to date.

3 On December 4, 2023, DDW issued a Failure to Comply with Citation No. 05-13-
4 23C-005 and Revocation of Suspension of Partial Administrative Penalty notice to
5 Havasu for failing to comply with Directive 7 of Citation No. 05-13-23C-005.⁵³
6 Directive 7 required Havasu to submit a preliminary study report for compliance with the
7 running annual average for the TTHM MCL by October 31, 2023.⁵⁴ DDW did not
8 receive any preliminary study report that met the requirements of Directive 7. As a
9 result, DDW rescinded its suspension of the \$35,000 penalty imposed in Citation No. 05-
10 13-23C-005. This penalty remains unpaid to date.

11 On December 12, 2023, DDW issued a Notice of Transfer of Safe Drinking Water
12 Act Regulatory Oversight for Havasu Water Company.⁵⁵ The transfer is based on a
13 November 2, 2023 letter from the U.S. Environmental Protection Agency (EPA) to
14 Havasu affirming its role as regulator under the SDWA.⁵⁶ The transfer of regulatory
15 oversight occurred on January 1, 2024, and all regulatory activities related to the SDWA
16 were transferred over to EPA.

17 In total, DDW issued \$43,300 in total citations from May 6, 2022 to December 4,
18 2023 to Havasu, and to date, Havasu has not paid any of the citation amounts.

19 **D. Violations of the Federal Safe Drinking Water Act**

20 On November 2, 2023, the EPA informed Havasu that, “In coordination with the
21 State Board, the EPA recently confirmed that the Havasu Water Company lies wholly

⁵³ Attachment 15 – Failure to Comply with Citation No. 05-13-23C-005 and Revocation of Partial Administrative Penalty, DDW, December 4, 2023.

⁵⁴ Attachment 11 – Citation No. 05-13-23C-005, DDW, February 8, 2023, p. 10.

⁵⁵ Notice of Transfer of Safe Drinking Water Act Regulatory Oversight for Havasu Water Company, DDW, December 12, 2023. <https://www.epa.gov/system/files/documents/2024-05/ca-swrbc-letter-havasus-water-co-transfer-of-regulatory-oversight-notice-2023-12-12.pdf>

⁵⁶ Regulatory Oversight of the Havasu Water Company Public Water System, EPA, November 2, 2023. <https://www.epa.gov/system/files/documents/2024-05/epa-letter-havasus-water-company-transfer-of-oversight-ca-swrbc.pdf>

1 within the boundaries of the Chemehuevi Indian Tribe Reservation. Therefore, EPA is
2 affirming its role as regulator of the Havasu Water Company [Public Water System]
3 under the [Safe Drinking Water Act].”⁵⁷ On December 15, 2023, EPA staff conducted an
4 inspection of Havasu’s distribution system and water treatment plant.

5 The EPA assumed regulatory oversight of Havasu from DDW on January 1,
6 2024.⁵⁸ On February 8, 2024, EPA notified Havasu that it must issue a Boil Water Notice
7 to customers by end of day February 9, 2024 due to Havasu failing to provide complete
8 monthly operating reports for December 2023 and January 2024 as well as reports on
9 chlorine residuals.⁵⁹ Havasu began delivery of boil water notices on February 9, 2024,
10 but did not complete delivery until February 10, 2024, surpassing the required 24-hour
11 deadline for delivery.

12 On February 10, 2024, a Havasu customer notified EPA that Havasu distributed a
13 notice along with the Boil Water Notice that contained misinformation about the EPA-
14 required Boil Water Notice.⁶⁰ The notice was not approved by EPA, erroneously and
15 inappropriately cited the SDWA, and made representations that were misleading to the
16 public by suggesting that the Boil Water Notice was not due to health and safety
17 concerns.⁶¹ On February 14, 2024, EPA sent a letter to Havasu identifying the

⁵⁷ Attachment 16 – EPA Letter to Havasu Water Company: Transfer of Oversight of Havasu Water Company Public Water System, EPA, November 2, 2023.

⁵⁸ All publicly available EPA communications and enforcement actions re: Havasu Water Company are available at www.epa.gov/ca/hwc

⁵⁹ EPA Letter to Havasu Water Company: Boil Water Notice, EPA, February 8, 2024.
<https://www.epa.gov/system/files/documents/2024-05/epa-letter-to-havasus-water-company-bwn-2024-02-08.pdf>

⁶⁰ EPA Letter to Havasu Water Company Re: BWN 2.14.24, EPA, February 14, 2024, p. 3.
<https://www.epa.gov/system/files/documents/2024-05/epa-letter-havasus-water-company-re-current-bottled-water-notice-2024-02-14.pdf>

⁶¹ Administrative Order No. SDWA-09-2024-008, EPA, May 28, 2024, p. 13.
<https://www.epa.gov/system/files/documents/2024-05/sdwa-09-2024-008-havasus-water-company-administrative-order-2024-05-28.pdf>

1 inaccuracies and misinformation in the notice and demanded that Havasu cease further
2 issuance of the notice and any other misinformation to customers.⁶²

3 On May 8, 2024, EPA staff conducted a sanitary survey of the Havasu water
4 system. EPA issued its findings in a report on June 28, 2024, as discussed below.

5 On May 28, 2024, EPA issued Administrative Order No. SDWA-09-2024-008 to
6 Havasu.⁶³ The Administrative Order identified multiple violations of the Federal SDWA
7 including exceedance of the TTHM MCL, failure to meet qualified personnel/operator
8 requirements for both its distribution system and water treatment plant, failure to provide
9 monthly monitoring reports as required by the surface water treatment rule, failure to
10 comply with public notification requirements, and a failure to submit a Consumer
11 Confidence Report by July 1 of each year.⁶⁴ The Order also included a list of Significant
12 Deficiencies⁶⁵ identified by EPA staff during the December 15, 2023 system inspection.⁶⁶
13 Many of the violations are similar in nature to those cited previously by DDW dating
14 back to March 2022.

15 On June 14, 2024, EPA issued a Notice of Noncompliance for EPA
16 Administrative Order No. SDWA-AO-2024-008 to Havasu for failing to comply with the
17 conditions set forth in the order which included bringing the Havasu system into

⁶² EPA Letter to Havasu Water Company Re: BWN 2.14.24, EPA, February 14, 2024.
<https://www.epa.gov/system/files/documents/2024-05/epa-letter-havasus-water-company-re-current-bottled-water-notice-2024-02-14.pdf>

⁶³ Administrative Order No. SDWA-09-2024-008, EPA, May 28, 2024.
<https://www.epa.gov/system/files/documents/2024-05/sdwa-09-2024-008-havasus-water-company-administrative-order-2024-05-28.pdf>

⁶⁴ Administrative Order No. SDWA-09-2024-008, EPA, May 28, 2024, pp. 4-16.
<https://www.epa.gov/system/files/documents/2024-05/sdwa-09-2024-008-havasus-water-company-administrative-order-2024-05-28.pdf>

⁶⁵ A Significant Deficiency, as defined by EPA, includes, but not limited to, defects in the design, operation, or maintenance, or a failure or malfunction of the sources, treatment, storage, or distribution system that EPA determines to be causing or have the potential for causing the introduction of contamination into the water delivered to customers.

⁶⁶ Administrative Order No. SDWA-09-2024-008, EPA, May 28, 2024, p. 10.
<https://www.epa.gov/system/files/documents/2024-05/sdwa-09-2024-008-havasus-water-company-administrative-order-2024-05-28.pdf>

1 compliance with the federal SDWA and surface water treatment rule requirements.⁶⁷ The
2 order also alleges Havasu's lack of intent comply with the order:

3 In addition, the Order required you to submit a letter to EPA stating your
4 intent to comply with the Order by June 12, 2024 (Order at Paragraph 61).
5 You submitted a letter on June 12, 2024, but the letter did not state your
6 intent to comply; instead, it contested EPA's jurisdiction. As explained in
7 detail in EPA's November 16, 2023 letter (see attached), the System is
8 located within the exterior boundaries of the Chemehuevi Indian
9 Reservation. However, EPA's authority to issue SDWA compliance orders
10 does not depend on whether the public water system is located within an
11 Indian Reservation. See 42 U.S.C. §300g-3(a).⁶⁸

12 On June 28, 2024, EPA issued its report for its May 8, 2024 sanitary survey to
13 Havasu noting a similar state of extreme disrepair identified by DDW's March 22, 2022
14 sanitary survey.⁶⁹ EPA identified fourteen Significant Deficiencies for Havasu's water
15 distribution and treatment systems:

16 During the sanitary survey conducted on the HWC water system on May 8,
17 2024, the inspector found fourteen deficiencies which are of significant
18 health risk to the system and people served by the system. These
19 deficiencies have been deemed to be significant deficiencies and are of the
20 greatest health threat. Under the SDWA's Long-term 2 Enhanced Surface
21 Water Treatment Rule (LT2), significant deficiencies are defined to include
22 defects in design, operation, or maintenance, or a failure or malfunction of
23 the sources, treatment, storage or distribution system that EPA determines
24 to be causing, or have potential for causing, the introduction of
25 contamination into the water delivered to customers.⁷⁰

⁶⁷ Notice of Noncompliance for EPA Administrative Order No. SDWA-AO-2024-008, EPA, June 14, 2024. <https://www.epa.gov/system/files/documents/2024-07/epa-letter-to-hwc-re-notice-of-noncompliance-2024-06-14.pdf>

⁶⁸ Notice of Noncompliance for EPA Administrative Order No. SDWA-AO-2024-008, EPA, June 14, 2024, p. 1. <https://www.epa.gov/system/files/documents/2024-07/epa-letter-to-hwc-re-notice-of-noncompliance-2024-06-14.pdf>

⁶⁹ Attachment 17 – Havasu Water Company Sanitary Survey 5-8-24 Cover Letter, EPA, June 28, 2024. The sanitary survey is subject to a confidentiality agreement with DDW and Water Division has not received authorization to release the survey.

⁷⁰ Attachment 17 – Havasu Water Company Sanitary Survey Cover Letter, EPA, June 28, 2024, p. 1.

1 The report directed Havasu to create a plan to correct these significant
2 deficiencies. The plan was due no later than 45 days after receipt of the report and would
3 need to be approved by EPA before it could be implemented.⁷¹ Havasu submitted its
4 Corrective Action Plan to EPA on August 12, 2024.⁷²

5 On November 6, 2024, EPA issued Emergency Administrative Order No. PWS-
6 AO-2025-002 to Havasu due to EPA’s determination that “conditions exist at Havasu that
7 may present an imminent and substantial endangerment to the persons served by the
8 System.”⁷³ The EPA issued the Emergency Order based on the following findings:

- 9 • Havasu had “many water distribution line breaks, water outages,
10 and pressure loss incidents” since March 2022, including ten
11 reported outages to DDW and five reported outages to EPA”⁷⁴
- 12 • Havasu has continually failed to properly notify the public of Boil
13 Water Notices as required by the SDWA during water outages. ”⁷⁵
- 14 • Since March 2022, Havasu has been under a Boil Water Notice for
15 approximately 300 days. Lack of proper public noticing is a safety
16 concern given the duration of the notices.⁷⁶

17 The Administrative Order required Havasu to “issue a Boil Water Notice
18 immediately after learning of a water outage, immediately make alternative water
19 available during any water outage or when EPA has determined a Boil Water Notice is
20 necessary, develop emergency standard operating procedures for pressure loss incidents,

⁷¹ Attachment 17 – Havasu Water Company Sanitary Survey Cover Letter, EPA, June 28, 2024, p. 2.

⁷² Attachment 18 – Havasu Water Company Corrective Action Plan, Havasu Water Company, August 12, 2024.

⁷³ Attachment 19 – Havasu Water Company Emergency AO Cover Letter, EPA, November 6, 2024.

⁷⁴ Havasu Water Company Emergency Administrative Order No. PWS-AO-2025-002, EPA, November 6, 2024, Finding of Fact 10, pp. 2-3. <https://www.epa.gov/system/files/documents/2024-11/pws-ao-2025-002-havasus-water-company-pws-eao-2024-11-06.pdf>

⁷⁵ Havasu Water Company Emergency Administrative Order No. PWS-AO-2025-002, EPA, November 6, 2024, Finding of Fact 11, p. 3, <https://www.epa.gov/system/files/documents/2024-11/pws-ao-2025-002-havasus-water-company-pws-eao-2024-11-06.pdf>

⁷⁶ Havasu Water Company Emergency Administrative Order No. PWS-AO-2025-002, EPA, November 6, 2024, Finding of Fact 13, p. 3, <https://www.epa.gov/system/files/documents/2024-11/pws-ao-2025-002-havasus-water-company-pws-eao-2024-11-06.pdf>

1 ensure certified operators are making essential operational decisions and actions, and
2 retain a third-party technical provider to conduct an assessment of the drinking water
3 distribution system.”⁷⁷

4 On February 6, 2025, EPA issued a fifth notice of Noncompliance with EPA
5 Administrative Order No. SDWA-AO-2024-008 and second notice of Noncompliance
6 with EPA Emergency Administrative Order No. PWS-AO-2025-002 to Havasu.⁷⁸ Under
7 this notice, EPA notified Havasu of its continued failure to comply with SDWA-AO-
8 2024-008 and PWS-AO-2025-002 to bring the Havasu system into compliance with the
9 federal SDWA. Non-compliances with SDWA-AO-2024-008 include lack of compliance
10 with the TTHM MCL, failure to submit a compliance plan for EPA approval, continuous
11 failure to provide sufficient evidence that qualified and certified personnel are physically
12 operating the system, and continuous failure to correct all previously identified
13 Significant Deficiencies.⁷⁹ Non-compliances with PWS-AO-2025-002 include failure to
14 submit a Standard Operating Procedure for Havasu’s planned response to emergency
15 pressure loss incidents, failure to identify an appropriate technical provider to conduct a
16 critical assessment of Havasu’s infrastructure, failure to submit the monthly and
17 distribution operator logs, and failure to submit the monthly progress report.⁸⁰ The notice
18 also states that, “in the event you fail to comply with the Emergency Order, EPA may
19 commence action in U.S. District Court to require compliance with this Order and to

⁷⁷ Attachment 19 – Havasu Water Company Emergency AO Cover Letter, EPA, November 6, 2024, p. 1.

⁷⁸ Attachment 20 – Fifth Notice of Noncompliance with EPA Administrative Order No. SDWA-AO-2024-008 and second notice of Noncompliance with EPA Emergency Administrative Order No. PWS-AO-2025-002, EPA, February 6, 2025.

⁷⁹ Attachment 20 – Fifth Notice of Noncompliance with EPA Administrative Order No. SDWA-AO-2024-008 and second notice of Noncompliance with EPA Emergency Administrative Order No. PWS-AO-2025-002, EPA, February 6, 2025, pp. 1-3.

⁸⁰ Attachment 20 – Fifth Notice of Noncompliance with EPA Administrative Order No. SDWA-AO-2024-008 and second notice of Noncompliance with EPA Emergency Administrative Order No. PWS-AO-2025-002, EPA, February 6, 2025, pp. 3-4.

1 assess a civil penalty of up to \$29,154 (now \$29,911 due to inflation adjustments) per day
2 of violation under the SDWA.”⁸¹

3 Despite WD’s coordinated efforts with both DDW and EPA, Havasu’s water
4 distribution system and treatment plant remain in a state of extreme disrepair with the
5 owner making minimal, if any, improvements as demonstrated by the prolonged period of
6 noncompliance with the state and federal SDWA and accompanying regulations.

7 **III. HAVASU PROVIDES INCONSISTENT, UNRELIABLE AND**
8 **UNSAFE WATER TO ITS CUSTOMERS IN VIOLATION OF**
9 **PUBLIC UTILITIES CODE SECTIONS 451, GENERAL ORDER**
10 **103-A AND OTHER COMMISSION REGULATIONS**

11 **A. Havasu violated Public Utilities Code Section 451 and**
12 **General Order 103-A through non-compliance with the**
13 **State and Federal Safe Drinking Water Act**

14 Since March 2022, WD has issued several Notices of Violation (NOV) to Havasu
15 under Pub. Util. Code Section 701 which states, “The commission may supervise and
16 regulate every public utility in the State and may do all things, whether specifically
17 designated in this part or in addition thereto, which are necessary and convenient in the
18 exercise of such power and jurisdiction.”

⁸¹ Attachment 20 – Fifth notice of Noncompliance with EPA Administrative Order No. SDWA-AO-2024-008 and second notice of Noncompliance with EPA Emergency Administrative Order No. PWS-AO-2025-002, EPA, February 6, 2025, p. 5.

1 On April 1, 2022, WD issued an NOV to Havasu for violations of Pub. Util. Code
2 Section 451⁸² and GO 103-A.^{83, 84} Specifically, the NOV identified the following:

- 3 • Havasu violated Pub. Util. Code Section 451 and GO 103-A, Sections
4 II.1-A⁸⁵ and II.3-A(1)⁸⁶ for failing to furnish safe and reliable water
5 service to its customers during a prolonged water outage that occurred
6 on March 21, 2022, which Havasu was still addressing at the time the
7 NOV was issued.⁸⁷ During the outage, Havasu failed to provide
8 alternate sources of water to customers further jeopardizing the safety of
9 Havasu's customers and the public.⁸⁸
- 10 • Havasu violated GO 103-A Section II.1-B⁸⁹ for failing to comply with
11 all applicable drinking water regulations as evident by DDW's issuance
12 of Compliance Order No. 05-13-22R-001 on March 29, 2022.
- 13 • Havasu violated GO 103-A Section II.3-E for failing to notify the
14 Commission of the ongoing systemwide water outage as required for

⁸² Pub. Util. Code Section 451 states, " All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable. Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful.

Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in Section 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.

All rules made by a public utility affecting or pertaining to its charges or service to the public shall be just and reasonable."

⁸³ General Order 103-A are the Commission's rules governing water service, including minimum standards for operation, maintenance, design and construction. GO 103-A governs the standards water quality and service and includes provisions requiring compliance with local, state, and federal regulations such as the state and federal SDWA. The WD collaborated with DDW and EPA on joint enforcement of Havasu to enforce compliance with these overlapping regulations.

⁸⁴ Attachment 21 – Havasu Water Company Notice of Violation, Water Division, April 1, 2022.

⁸⁵ GO 103-A Section II.1-A states, "Subject to the Commission's oversight, each utility shall operate its system so as to deliver reliable, high quality service to its customers at reasonable cost."

⁸⁶ GO 103-A Section II.3-A(1) states, "Each utility shall make all reasonable efforts to prevent interruptions to service and when such interruptions occur shall reestablish service with the shortest possible delay consistent with the safety of its customers, its employees, and the general public."

⁸⁷ Attachment 21 – Havasu Water Company Notice of Violation, Water Division, April 1, 2022.

⁸⁸ Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, p. 9.

⁸⁹ GO 103-A Section II.1-B states, "Each water utility shall ensure that it complies with the Department's permit requirements and all applicable drinking water regulations."

1 emergency interruptions involving an entire system. The Commission
2 was notified of the water outage by DDW.⁹⁰

- 3 • Havasu violated GO 103-A Section III.8-B as Havasu’s sole emergency
4 backup power generator was inoperable and unable to mitigate or
5 prevent the March 21, 2022 systemwide water outage from occurring.⁹¹
6 During a subsequent power outage on March 29, 2022, Havasu’s
7 backup generator was again unable to adequately power the water
8 system’s water pumps which subsequently extended the ongoing
9 systemwide water outage.⁹²
- 10 • Havasu violated GO 103-A, Section VII.5-A⁹³ for failing to use a
11 certified operator for its distribution system and water treatment plant.
12 Havasu’s certified distribution operator and water treatment plant
13 operator resigned on December 31, 2021, and March 4, 2022,
14 respectively.⁹⁴

15 WD staff alleges that Havasu’s failure to respond to the April 1, 2022 NOV
16 violated Pub. Util. Code section 702 which states, “Every public utility shall obey and
17 comply with every order, decision, direction, or rule made or prescribed by the
18 commission in the matters specified in this part, or any other matter in any way relating
19 to or affecting its business as a public utility, and shall do everything necessary or proper
20 to secure compliance therewith by all of its officers, agents, and employees.”

21 On July 26, 2022, WD issued a second NOV to Havasu for continued violations as
22 identified in the April 1, 2022 NOV.⁹⁵ The July 26, 2022 NOV identified an additional
23 violation of GO 103-A, Section II.2-B(2)(b) due to the discovery of a potential cross-
24 connection hazard by DDW during an inspection of Havasu’s water system on March 23,

⁹⁰ Attachment 22 – Moises Chavez Email to Hector Cazares, March 23, 2022.

⁹¹ Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, p. 8.

⁹² Attachment 23 – Wei Chang Email to Wilson Tsai, March 29, 2022.

⁹³ GO 103-A, Section VII.5-A states, “The utility shall ensure that all water treatment and water distribution facilities are operated by personnel appropriately certified by the Department. Water treatment and water distribution certification are governed by Articles 1 through 5 of Title 22, Division 4, Chapter 13, and Article 2 of Title 22, Division 4, Chapter 15, or its successor.”

⁹⁴ Attachment 6 – Compliance Order No. 05-13-22R-001, DDW, March 29, 2022, p. 7.

⁹⁵ Attachment 24 – Havasu Water Company Second Notice of Violation, Water Division, July 26, 2022.

1 2022.⁹⁶ Havasu failed to comply with DDW directives to remove or repair the cross-
2 connection hazard.

3 WD's July 26, 2022 NOV included four directives, which required Havasu to
4 submit a revised and approved Corrective Action Plan to WD, to repair the water main
5 leak which occurred on July 5, 2022 and resolve all low water pressure issues in the
6 distribution system, to procure a certified D1 operator for the operation of the distribution
7 system, and repair or remove the potential cross-connection hazard identified by DDW.⁹⁷
8 Havasu did not respond to the July 26, 2022 NOV or submit the requested Corrective
9 Action Plan.

10 On September 14, 2022, WD issued Citation W.22-09-001 to Havasu for failure to
11 comply with the required directives of the July 26, 2022 NOV.⁹⁸ The Citation imposed a
12 \$2,000 penalty. Havasu did not respond to the citation within 30 calendars days and
13 therefore was in default and forfeited its right to appeal the citation.⁹⁹ Despite multiple
14 Notices of Outstanding Balance sent by the Commission's Fiscal Office, to date, Havasu
15 has failed to pay the citation penalty.¹⁰⁰

16 On November 21, 2022, WD issued a NOV to Havasu to correct its tariffs to
17 comply with the tariff rule revisions required by Senate Bill 998, the Water Shutoff
18 Protection Act,¹⁰¹ and in accordance with GO 96-B.¹⁰² This NOV was in connection to a

⁹⁶ Attachment 24 - Havasu Water Company Second Notice of Violation, Water Division, July 26, 2022, pp. 3-4.

⁹⁷ Attachment 24 - Havasu Water Company Second Notice of Violation, Water Division, July 26, 2022, p. 4.

⁹⁸ Attachment 25 – Havasu Water Company Citation W.22-09-001, Water Division, September 14, 2022.

⁹⁹ Attachment 25 – Havasu Water Company Citation W.22-09-001, Water Division, September 14, 2022, p. 9.

¹⁰⁰ The Commission's Fiscal Office sent a first notice of outstanding balance to Havasu on November 16, 2022, a second notice on December 16, 2022, and a final notice on January 17, 2023. See Attachment 26 – Final Notice of Outstanding Balance, Fiscal Office, January 17, 2023.

¹⁰¹ Stats. 998, ch. 891 (Dodd)), The Water Shutoff Protection Act enacted Health & Safety (H&S) Code Sections 116900 et. Seq.

¹⁰² Attachment 27 – Havasu Water Company SB998 Notice to Correct Tariffs, Water Division, November 21, 2022.

1 July 17, 2020 letter issued by WD to all Class B, C, and D water utilities¹⁰³ with more
2 than 200 service connections detailing further revisions to Tariff Rules 1, 5, 8, 10, and 11
3 necessary to comply with H&S Code Section 116906(a). This Section required an
4 applicable water utility to have a written policy on discontinuation of residential service
5 nonpayment including specific processes the utility must undertake before finally
6 resorting to discontinuation of service.¹⁰⁴ The July 17, 2020 letter required all recipients
7 to file a Tier 1 advice letter to amend their tariffs by no later than July 27, 2020. At the
8 time the November 21, 2022 NOV had been sent, Havasu had not yet complied. On
9 December 26, 2022, Havasu submitted Advice Letter 49 to revise its tariffs and provided
10 copies of the required discontinuation policy to the Commission, in accordance with the
11 July 17, 2020 letter.

12 On October 4, 2024, WD issued a NOV to Havasu for failing to correct the
13 significant deficiencies identified by EPA during on-site inspections of Havasu’s
14 distribution system and treatment plant—first observed on December 15, 2023 and
15 further observed in subsequent site surveys— and based upon water quality test results
16 submitted by Havasu.¹⁰⁵ These deficiencies include multiple exceedances of the TTHM
17 MCL also previously identified by DDW.¹⁰⁶ EPA cited non-compliance with this water
18 safety requirement since October 2021 based on monitoring results reviewed by EPA
19 staff.¹⁰⁷ EPA followed-up the initial report and presented its findings to the utility in a
20 letter on January 30, 2024. Havasu failed to correct these significant deficiencies. On

¹⁰³ Havasu was sent a copy of this letter.

¹⁰⁴ Attachment 28 – Required Revisions for Tariff Rules 1,5,8,10, and 11, Water Division, July 17, 2020.

¹⁰⁵ Attachment 29 – Havasu Water Company Notice of Violation, Water Division, October 4, 2024.

¹⁰⁶ Attachment 11 – Citation No. 05-13-23C-005, DDW, February 8, 2023, pp. 8-9.

¹⁰⁷ Administrative Order No. SDWA-09-2024-008, EPA, May 28, 2024, p. 7, states: “22. Based on the analytical results of quarterly monitoring conducted at the Cement Plant and Desert View Lane as seen in Table 1, Respondent has exceeded the TTHM MCL of 80 ug/L specified at 40 C.F.R. § 141.64(b) based on the locational RAA starting in October 2021 at the Cement Plant sampling location (replaced in January 2024 by the Everet Street sampling location) and in April 2022 at Desert View Lane sampling location.” <https://www.epa.gov/system/files/documents/2024-05/sdwa-09-2024-008-havasus-water-company-administrative-order-2024-05-28.pdf>

1 May 29, 2024, EPA issued Administrative Order SDWA-09-2024-008 citing Havasu for
2 multiple violations of the federal SDWA.¹⁰⁸ In addition to citing Havasu for failing to
3 comply with the EPA Administrative Order, the NOV charged Havasu with violation of
4 GO 103-A, Section II.2.A(3) for failing to notify the Commission of the EPA’s January
5 30, 2024 letter as required.¹⁰⁹ The NOV directed Havasu to correct all remaining
6 significant deficiencies as specified in Administrative Order SDWA-09-2024-008 and to
7 procure a certified D1 and T2 operator consistent with EPA’s operator requirements by
8 November 7, 2024.

9 Havasu did not respond to nor comply with the October 4, 2024 NOV and, to date,
10 remains out of compliance with the EPA’s enforcement order.

11 **B. Havasu violated Public Utilities Code Sections 451 and**
12 **2713 and General Order 103-A by failing to properly**
13 **inspect and maintain fire hydrants**

14 WD has issued several enforcement actions to Havasu over public safety concerns
15 regarding the maintenance, repair, and operability of fire hydrants in Havasu’s service
16 territory.

17 On July 2, 2024, the EPA notified WD of concerns raised by customers about the
18 water pressure and functionality of fire hydrants in Havasu’s service territory.¹¹⁰ On July
19 7, 2024, the San Bernadino County Fire Department (SBC Fire) contacted WD to raise
20 similar concerns about fire safety and the ability to combat fires in the area if needed.¹¹¹

21 On October 11, 2024, WD submitted a data request to Havasu requesting the
22 following: (1) A copy of Havasu’s current Operation and Maintenance Plan as required

¹⁰⁸ Notice of Noncompliance for EPA Administrative Order No. SDWA-AO-2024-008, EPA, June 14, 2024. <https://www.epa.gov/system/files/documents/2024-07/epa-letter-to-hwc-re-notice-of-noncompliance-2024-06-14.pdf>

¹⁰⁹ GO 103-A, Section II.2.A(3) states: “If the Department or US EPA finds a utility to be out of compliance with the water quality regulations specified in section II.2.A(2), the utility shall promptly notify the Commission, by telephone or e-mail, with confirmation in writing. Any report submitted to the Department or US EPA in such circumstances shall be submitted concurrently to the Commission.”

¹¹⁰ Attachment 30 – Email from Alexa Engelman to Wilson Tsai, July 2, 2024.

¹¹¹ Attachment 31 – Email from Tracy Shaw to Wilson Tsai, July 7, 2024.

by GO 103-A, Section VII; (2) A copy of the schedule and procedures for Havasu's routine maintenance of all fire hydrants; (3) All records of fire hydrant maintenance, testing, and replacements conducted by Havasu in the last 10 years.¹¹²

On October 24, 2024, Havasu notified WD they were awaiting more information from SBC Fire regarding fire hydrant responsibilities.¹¹³ However, none of the data requested required information from SBC Fire. To date, Havasu has not provided any response to the October 11, 2024 data request.

On March 7, 2025, WD issued an NOV to Havasu for violations of Pub. Util. Code Section 451 and GO 103-A, Section VI.5-E.¹¹⁴ The NOV directed Havasu to provide the following information by certain dates:

Directive	Statute(s)	Due Date
1. Inspect all fire hydrants in Havasu's service area.	GO 103-A, Section VI.5-E PU Code Section 451	March 18, 2025
2. Conduct repairs and replacements as needed to ensure all fire hydrants in Havasu's service area are fully operable.	GO 103-A, Section VI.5-E PU Code Section 451	April 1, 2025
3. Provide to WD a record of all inspections, repairs, and replacements done by Havasu for all fire hydrants in the utility's service area.	GO 103-A Section VI.5-E PU Code Section 451	April 1, 2025
4. Provide all request documents and records in WD's October 11, 2024 data request.	PU Code Section 451	March 18, 2025

¹¹² Attachment 32 – Havasu Water Company Data Request #1, October 11, 2024.

¹¹³ Attachment 33 – Email from Havasu Water Company, October 24, 2024.

¹¹⁴ Attachment 34 – Havasu Water Company Notice of Violation, Fire Hydrants, Water Division, March 7, 2025.

1 Havasu failed to respond to the NOV or comply with the following directives by
2 their specified due dates.

3 On May 12, 2025, WD issued Citation W.25-05-001 to Havasu for failing to
4 comply with the directives of the March 7, 2025 NOV.¹¹⁵ The citation included a
5 \$10,000 penalty consistent with the Commission’s Enforcement Policy.¹¹⁶ On June 11,
6 2025, Havasu submitted to WD documents regarding appealing Citation W.25-05-001.¹¹⁷
7 On July 17, 2025, the Commission’s Docket Office accepted Havasu’s appeal of Citation
8 No. W.-25-05-001 (Docket Number K.25-06-028).

9 In addition to the violations discussed above, WD staff alleges that Havasu is in
10 violation of Pub. Util. Code Section 2713 which states in part that, “A water corporation
11 shall furnish water for fire protection purposes to the extent of its means and as a
12 condition of a certificate of public convenience and necessity.” The information
13 requested in Data Request #1, which Havasu has not provided, seeks to verify that
14 Havasu is able to furnish water for fire protection purposes. Havasu also failed to submit
15 any applicable fire hydrant service agreement with the local fire agency, in this case SBC
16 Fire, as required.¹¹⁸

17 **IV. HAVASU VIOLATED PUBLIC UTILITIES CODE SECTIONS 454**
18 **AND ITS TARIFF RULES BY CHANGING CUSTOMERS’ WATER**
19 **METERS AND INCREASING MONTHLY CHARGES WITHOUT**
20 **COMMISSION APPROVAL**

21 On May 5, 2025, a Havasu customer notified WD staff by email that Havasu
22 changed their water meter from a 5/8 x 3/4" to a 3/4" sized meter.¹¹⁹ The customer
23 indicated that they did not receive notice of the change in meter size, either before or

¹¹⁵ Attachment 35 – Havasu Water Company Citation W.25-05-001, Water Division, May 12, 2025.

¹¹⁶ The Commission’s Enforcement Policy was adopted by Res. M-4846, approved on November 5, 2020. In determining the \$10,000 penalty amount, WD considered the following: (1) severity or gravity of the offense, (2) conduct of the regulated utility, (3) financial resources of the regulated utility, and (4) totality of circumstances in the public interest.

¹¹⁷ Attachment 36 – Appeal of Citation W.25-05-001 by Havasu Water Company on June 11, 2025.

¹¹⁸ Attachment 32 – Havasu Water Company Data Request #1, October 11, 2024.

¹¹⁹ Attachment 37 – Terry Moncrief Email to Wilson Tsai, May 5, 2025.

1 after the change out, and were unaware of the new meter size until they received their
2 April 2025 monthly water usage bill in May 2025.¹²⁰ In addition, the customer stated
3 that Havasu staff informed the customer that the County directed Havasu to change out
4 all of the 5/8 x 3/4" water meters in Havasu's service territory and required installation of
5 the 3/4" sized meters.¹²¹ WD staff continued to receive calls and emails from other
6 Havasu customers stating their meters were replaced and that their most recent bills
7 reflect the 3/4" service charge rather than the 5/8 x 3/4" service charge. The increase in
8 meter size results in a monthly bill increase of \$46.21 or \$554.52 annually.¹²²

9 On May 6, 2025, WD staff issued a data request to Havasu requesting written
10 documentation from the County requiring Havasu to replace customers' meters with
11 citations to any specific rules, regulations, and ordinances relied upon by the County.¹²³
12 On May 8, 2025, Havasu responded to the data request via an email claiming that the
13 "PUC tariff book gives every water utility the right to post what meters it will serve &
14 have the rates approved by the PUC, which has already been done. All we've said is
15 we're not going to serve the 5/8" meters anymore."¹²⁴ Havasu, however, did not provide
16 any written documentation from the County or required citations to applicable rules,
17 regulations, ordinances to justify their actions.

18 Havasu's replacement of 5/8 x 3/4" water meters with the larger 3/4" meters is not
19 related to changes to usage or circumstances on the customer side. Havasu's change in
20 practice of requiring a minimum of 3/4" meters was not presented to the Commission for
21 review and approval. This is an alleged violation of Pub. Util. Code Section 454 which
22 states in pertinent part that "a public utility shall not change any rate or so alter any
23 classification, contract, practice, or rule as to result in any new rate, except upon a

¹²⁰ Attachment 37 – Terry Moncrief Email to Wilson Tsai, May 5, 2025.

¹²¹ Attachment 37 – Terry Moncrief Email to Wilson Tsai, May 5, 2025.

¹²² Havasu's Schedule 1 includes service charges of \$92.42 for 5/8 x 3/4" and \$138.63 for 3/4" meters. The increased service charge rates were effective on August 28, 2023.

¹²³ Attachment 38 – Data Request Regarding Water Meter Replacement, Water Division, May 6, 2025.

¹²⁴ Attachment 39 - Jennifer Hodges email response to WD May 6, 2025 Data Request, May 8, 2025.

1 showing before the commission and a finding by the commission that the new rate is
2 justified.” Additionally, Havasu failed to provide notice to the customers of change in
3 meter size and the charge increase. Consequently, Havasu violated their own Tariffs,
4 Rules 12.B and 12.C.¹²⁵

5 On May 9, 2025, WD issued a Cease-and-Desist Order to Havasu to immediately
6 stop replacing customers’ existing 5/8 x 3/4" meters with 3/4" meters.¹²⁶ The practice of
7 replacing customers’ meters with a larger meter size resulted in an unauthorized change
8 in practice without prior Commission approval as customers were now being charged the
9 higher 3/4" service charge.¹²⁷ As part of the order, WD directed Havasu to charge
10 customers with the larger meter size installed the agreed upon 5/8 x 3/4" service charge
11 and not to assess any late fees for customers who paid the service charge for 5/8 x 3/4"
12 meters.¹²⁸ Finally, in accordance with Pub. Util. Code Section 454, Havasu was directed
13 to submit a Tier 3 advice letter to the Commission to request the approval of upsizing all
14 of Havasu customers from 5/8 x 3/4" to 3/4" water meters with supporting
15 justification.¹²⁹

16 On May 12, 2025, Havasu electronically submitted a letter to WD in response to
17 the Cease-and-Desist Order challenging Commission authority, citing an inapplicable
18 tariff rule, and indicating no intent to comply with the order.¹³⁰ In the letter, Havasu
19 alleges that the Cease-and-Desist Order violates Havasu’s due process and equal
20 protection rights. In addition, Havasu cites Tariff Rule 15.A.4 which it asserts grants the
21 utility “absolute discretion,” to dictate which sized meters are to be used. However, Tariff

¹²⁵ Attachment 40 – Havasu Water Company Tariff Rule 12.

¹²⁶ Attachment 41 – Cease and Desist Order Regarding Replacement of Customers’ Existing 5/8 x 3/4" Water Meters with 3/4" Water Meters, Water Division, May 9, 2025.

¹²⁷ See Cal. Pub. Util. Code § 454.

¹²⁸ Attachment 41 – Cease and Desist Order Regarding Replacement of Customers’ Existing 5/8 x 3/4" Water Meters with 3/4" Water Meters, Water Division, May 9, 2025, p. 2.

¹²⁹ Attachment 41 – Cease and Desist Order Regarding Replacement of Customers’ Existing 5/8 x 3/4" Water Meters with 3/4" Water Meters, Water Division, May 9, 2025, p. 2.

¹³⁰ Attachment 42 – Havasu Water Company Letter to Bruce DeBerry, May 12, 2025.

Rule 15 applies to main extensions¹³¹ whereas Tariff Rule 16 applies to service connections, meters, and customers’ facilities.¹³² The utility’s ability to size mains and distributions lines referenced in Tariff Rule 15.A.4 does not apply to the installation of meters.

On May 14, 2025, WD issued a NOV to Havasu for violation of the Cease-and-Desist Order.¹³³ The NOV directed Havasu to comply with the Cease-and-Desist Order within 24 hours of issuance of the NOV or be assessed a penalty of up to \$100,000.

On June 7, 2025, WD received a document from Havasu titled, “Application for Rehearing, Notice of Appeal and Request for Oral Argument re: Bruce DeBerry’s May 9, 2025 cease and desist letter, and May 14, 2025 notice of violation.”¹³⁴

V. THE COMMISSION HAS RECEIVED NUMEROUS CONCERNS FROM HAVASU CUSTOMERS.

In addition to the enforcement actions taken by DDW, EPA and WD, there have been numerous complaints brought against Havasu before the Commission. Additionally, a meeting was held by the EPA and WD staff with members of the Havasu Lake community. The complaints and community meeting all raise concerns regarding Havasu’s service, water quality, billing inconsistencies and public safety issues.

A. Formal Complaints

Since February 2023, nine formal complaints were filed by Havasu’s customers regarding concerns over water quality and service, billing inconsistencies, and public safety. Several customers have filed formal complaints to the Commission more than once due to Havasu’s continued practice of charging customers late fees and threatening

¹³¹ Attachment 43 – Havasu Water Company Tariff Rule 15, Sheet No. 211-W – 223-W.

¹³² Attachment 44 – Havasu Water Company Tariff Rule 16, Sheet No. 224-W – 230-W applies to connections, meters, and customers’ facilities. It does not have a section A.4.

¹³³ Attachment 45 – Havasu Water Company Notice of Violation, Water Division, May 14, 2025.

¹³⁴ Attachment 46 – Application for Rehearing, Notice of Appeal and Request for Oral Argument re: Bruce DeBerry’s May 9, 2025 cease and desist letter, and May 14, 2025 notice of violation

1 to or actually disconnecting water service, without complying with the requirements of
2 Havasu's own tariffs and Senate Bill 998, the Water Shutoff Protection Act.

3 **1. Pending Complaint C.23-12-002**

4 On December 1, 2023, customers Louie and Vickie Osuna filed Complaint C.23-
5 12-002 to the Commission¹³⁵ alleging they lost water for 10 days in March 2022 in their
6 home and also in fire hydrants in their community, thus leading to a loss of two (2)
7 structures. The complainant further stated that the quality and supply of water was
8 inconsistent, receiving Do Not Drink or Boil Water Notices from Havasu for fifty percent
9 of the remaining year, thus claiming that their bills should be reduced by 50%. The
10 Osunas were also without water service from July 2, 2023 because Havasu alleged they
11 tampered with their water meter leading Havasu to remove the meter and disconnect their
12 water service. On March 13, 2025, the Commission issued Decision (D.) 25-03-010
13 which partially agreed with complainants that Havasu has not provided sufficient service
14 but came to a different calculation of amounts owed.¹³⁶ The decision also ordered a
15 cease and desist of water shut-offs and removal of all late fees against the complainants.
16 Additionally, D.25-03-010 ordered Havasu to replace the meter and restore water service
17 to the Osuna property upon request. The decision also briefly stated that Havasu should
18 abide by the Public Utilities Code Section 2713 et seq. in all requirements for fire
19 abatement. On March 25, 2025, Havasu filed a request for rehearing.¹³⁷

20 On April 17, 2025, WD staff was made aware of emails sent by the Osunas and
21 Jennifer Hodges to the assigned ALJ regarding the actions taken pursuant to D.25-03-
22 010.¹³⁸ The Osunas' email stated that Havasu has asked them to fill out a new customer

¹³⁵ Complaint C.23-12-002, December 1, 2023.

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M521/K134/521134075.PDF>

¹³⁶ Decision D.25-03-010, March 13, 2025.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M559/K819/559819198.PDF>

¹³⁷ Havasu Water Company, Inc.'s Application for Rehearing and Request for Oral Arguments, Havasu Water Company, March 25, 2025.

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M562/K188/562188028.PDF>

¹³⁸ Attachment 47 – Osunas and Havasu Emails to ALJ Afary, Subject Line: [EXTERNAL] Fw:

1 application and charged them \$250 for the said application. Additionally, they stated that
2 Havasu will install a 3/4" water meter with a monthly rate of \$138.63 instead of a 5/8"
3 meter priced at \$92.42/month.¹³⁹ Jennifer Hodges, in response, also sent an email to the
4 assigned ALJ stating the Osunas have not filed a claim with the Commission regarding
5 meter size and that their recently installed 3/4" meter minimum is "based upon San
6 Bernardino County's Building Department's requirement, and advice from the meter
7 manufacturers".¹⁴⁰ The email stated, "HWC is phasing out the 5/8" meters."¹⁴¹

8 A status conference was held on May 13, 2025 followed by a ruling issued on May
9 19, 2025 that ordered Havasu to replace the complainants' water meter, to restart water
10 service and stated that the defendant may not bill more than a 5/8" water meter per their
11 current tariff.¹⁴² The ruling stated that failure to comply will result in an Order to Show
12 Cause. Additionally, the ruling stated that Jennifer Hodges, in her personal capacity, may
13 be liable for sanctions for her behavior during the status conference pursuant to the
14 Commission's Rules of Practice and Procedure, Rule 1.1, Code of Ethics.¹⁴³

15 Havasu installed a 3/4" water meter at the Osunas' residence on May 20, 2025.¹⁴⁴
16 The case remains pending.

Resuming Water Service, dated April 17, 2025.

¹³⁹ Attachment 47 – Osunas and Havasu Emails to ALJ Afary, Subject Line: [EXTERNAL] Fw: Resuming Water Service, dated April 17, 2025., pp. 2-5.

¹⁴⁰ Attachment 47 – Osunas and Havasu Emails to ALJ Afary, Subject Line: [EXTERNAL] Fw: Resuming Water Service, dated April 17, 2025., p. 1.

¹⁴¹ Attachment 47 – Osunas and Havasu Emails to ALJ Afary, Subject Line: [EXTERNAL] Fw: Resuming Water Service, dated April 17, 2025., p. 1.

¹⁴² Administrative Law Judge's Notice of Tuesday May 13, 2025 Status Conference and Accompanying Orders, ALJ Lena Afary, May 19, 2025.
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M566/K326/566326153.PDF>

¹⁴³ Administrative Law Judge's Notice of Tuesday May 13, 2025 Status Conference and Accompanying Orders, Ruling 4, ALJ Lena Afary, May 19, 2025, p. 2.

¹⁴⁴ Attachment 48 – Osunas Email to Wilson Tsai, Subject Line: [EXTERNAL] Fw: Osuna matter, May 21, 2025.

1 **2. Pending Complaints C.24-07-013 and C.24-10-019**

2 On July 26, 2024, customer Kurt Norwood filed Complaint C.24-07-013 to the
3 Commission alleging that Havasu raised his monthly base rate from \$86.78 to \$143.19
4 immediately and without prior notice.¹⁴⁵ The increase was a result of an Havasu-
5 conducted audit which found that the complainant had a 1” meter as opposed to a 5/8”
6 meter. According to the complainant, after obtaining an approval from San Bernardino
7 County Fire Department in January 2007, he requested Havasu to replace his 1” meter
8 with a 5/8” meter. In a letter dated March 5, 2007, Havasu’s prior owner, Everett Hodges,
9 agreed and stated that the meter will be replaced.¹⁴⁶ Havasu has been charging the
10 complainant the 5/8” rate since March 2007 and the complainant assumed that, since the
11 address in question is not his full-time residence, the meter was replaced in his absence
12 sometime after. An evidentiary hearing took place on December 19, 2024 and the case is
13 still pending.

14 Similarly, on October 28, 2024, customer Havasu Lake Firebelles filed Complaint
15 C.24-10-019 to the Commission alleging that Havasu had started charging them the 1”
16 meter charge instead of the 5/8” meter charge, which they have been paying for 50 years,
17 as agreed upon with the same former owner, Everett Hodges.¹⁴⁷ This case is also
18 currently pending.

19 **3. Pending Complaints C.24-10-016 and C.24-10-017**

20 On October 25, 2024, customers Gary and Karen Chamberlain filed Complaint
21 C.24-10-016 to the Commission.¹⁴⁸ Shortly after, on October 28, 2024, customer Susan
22 Wilson filed Complaint C.24-10-017 to the Commission.¹⁴⁹ Both complaints allege that

¹⁴⁵ Complaint C.24-07-013, July 26, 2024.
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M536/K755/536755485.PDF>

¹⁴⁶ Everett Hodges was the owner of Havasu prior to Mary Hodges.

¹⁴⁷ Complaint C.24-10-019, October 28, 2024.
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M543/K698/543698492.PDF>

¹⁴⁸ Complaint C.24-10-016, October 25, 2024.
<https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=543831227>

¹⁴⁹ Complaint C.24-10-017, October 28, 2024.

1 Havasu re-billed the amounts that were discussed in C.23-02-009 and resolved by D.24-
2 03-053. Both complaints also claim that the amounts billed are incorrectly calculated and
3 that meter readings do not match the billing charges. Both cases are currently pending.

4 Staff would also like to note that on or around October 30, 2024, in relation to
5 Complaint C.24-10-016, Jennifer Hodges asked the San Bernardino County sheriff to
6 arrest Gary and Karen Chamberlain for resisting disconnection of their water meter by
7 blocking access to the water connection on their property. WD and Legal Division staff
8 intervened. Ultimately, WD staff worked with the assigned ALJ to issue an order
9 prohibiting disconnection during the pendency of the proceeding to hinder the arrest.¹⁵⁰

10 **4. Resolved Complaints C.23-02-008, C.23-02-009,**
11 **C.23-05-011, and C.23-06-006**

12 On February 14, 2023, Havasu customers Marion Jaramillo, and Susan Newton
13 dba Firebelles filed Complaint C.23-02-008 to the Commission¹⁵¹ alleging Havasu erred
14 in calculating their water bills while not providing water and also charging unwarranted
15 penalties and late fees. The complaint arises from the water outage in March 2022. To
16 resolve the complaint, on January 16, 2024, the Commission issued D.24-01-012 which
17 partially agreed with complainants that Havasu did not provide sufficient service and
18 ordered Havasu to remove all late fees from their bills starting 2021.¹⁵² However, the
19 decision came to a different calculation of amounts owed to Havasu. This complaint is
20 closed.

21 On February 15, 2023, Havasu customers Gary Chamberlain, Charles Ramsden
22 and Susan Wilson filed Complaint C.23-02-009¹⁵³ alleging Havasu failed to provide safe

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M544/K255/544255590.PDF>

¹⁵⁰ Attachment 49 – Wilson Tsai Email to ALJ Afary, Subject Line: Re: C2410016 – Cease and Desist Ruling, October 30, 2024.

Attachment 50 – Jonathan Koltz Email to San Bernardino County, October 30, 2024.

¹⁵¹ Attachment 51 – Complaint C.23-02-008, February 14, 2023.

¹⁵² Decision D.24-01-012, January 16, 2024.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M523/K567/523567671.PDF>

¹⁵³ Complaint C.23-02-009, February 15, 2023.

1 and clean water from March 2022 to March 2023. To resolve C.23-02-009, the
2 Commission issued D.24-03-053 on March 25, 2024, which granted complainants partial
3 relief on payments owed to Havasu and ordered Havasu to remove all late fees from their
4 bills.¹⁵⁴ Instead of compliance, Havasu re-billed the complainants for the disputed bill
5 amounts on April 8, 2024 with a due date of April 19, 2024. Havasu subsequently filed
6 for rehearing of D.24-03-053 on April 11, 2024.¹⁵⁵ On June 3, 2024, the presiding ALJ
7 issued an Order to Show Cause as to why Havasu should not be sanctioned for re-billing
8 of the complainants in violation of the decision. The ruling included a cease and desist
9 on all collections against the complainants and held the complaint pending. On August 2,
10 2024, the Commission issued D.24-08-022, clarifying a portion of and denying rehearing
11 of D.24-03-053.¹⁵⁶ D.24-08-022 ordered that the 56% reduction in complainants' water
12 bills as applied in D.24-03-053 does not apply to the readiness-to-serve fee. This case is
13 now closed.

14 On May 11, 2023, Havasu customer Sammy Hernandez filed Complaint C.23-05-
15 011 to the Commission alleging Havasu failed to provide safe and clean water from
16 March 2022 to March 2023 and charged unwarranted penalties and late fees.¹⁵⁷ To
17 resolve the complaint, on January 31, 2024, the Commission issued D.24-01-038 which
18 partially agreed with complainants that Havasu did not provide sufficient service and
19 ordered Havasu to remove all late fees from their bills starting 2021.¹⁵⁸ However, the

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M502/K397/502397824.PDF>

¹⁵⁴ Decision D.24-03-053, March 25, 2024.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M527/K964/527964236.PDF>

¹⁵⁵ Rehearing Request for D.24-03-053, Havasu Water Company, April 11, 2024.

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M529/K525/529525476.PDF>

¹⁵⁶ Decision D.24-08-022, August 2, 2024.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M537/K201/537201585.PDF>

¹⁵⁷ Complaint C.23-05-011, May 11, 2023.

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M508/K571/508571063.PDF>

¹⁵⁸ Decision D.24-01-038, January 31, 2024.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M524/K512/524512684.PDF>

1 decision came to a different calculation of amounts owed to Havasu. This complaint is
2 closed.

3 On June 7, 2023, Havasu customers Gabriel and Kathy Venegas filed Complaint
4 C.23-06-006 to the Commission alleging Havasu failed to provide safe and clean water
5 from March 2022 to March 2023 and charged unwarranted penalties and late fees.¹⁵⁹ To
6 resolve the complaint, on December 5, 2023, the Commission issued D.23-11-092 which
7 partially agreed with complainants that Havasu did not provide sufficient service and
8 ordered Havasu to remove all late fees from their bills starting July 2023.¹⁶⁰ However,
9 the decision came to a different calculation of amounts owed to Havasu. This complaint
10 is closed.

11 **B. Informal Complaints**

12 Since March 2022, the Commission's Consumer Affair Branch has received 91
13 complaints from Havasu customers. Sixty-seven of these complaints were regarding
14 outages, high bill, and safety concerns. Havasu only has 226 service connections, and the
15 69 complaints were from unique individuals and institutions. This means nearly 31% of
16 Havasu customers have made informal complaints to the Commission.

17 The table below shows the number of Havasu complaints received since March
18 2022. They are categorized by issue:

¹⁵⁹ Complaint C.23-06-006, June 7, 2023.
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M511/K023/511023077.PDF>

¹⁶⁰ Decision D.23-11-092, December 5, 2023.
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M521/K257/521257670.PDF>

Complaint Issue	Complaints Received
Outage	34
High Bill	17
Safety	16
Other Charges	4
Late Payment Charge - LPC	4
Delayed Orders/Missed Appointments	3
NJ Not Listed	3
Disconnection Non-Payment	2
Misdirected Correspondence	1
Disconnected In Error	1
Payment Error	1
Wrong Number	1
Commission Policy/Rules	1
Abusive Marketing	1
Bill Not Received	1
Unknown	1
Total	91

Instead of addressing the water quality and reliability issues brought up by its customers and investing in improvements to ensure safe and adequate water service, Havasu has adopted an adversarial approach to customer complaints. Ms. Hodges has filed over a dozen small claims suits in San Bernardino County Superior Court against a number of Havasu customers, alleging unpaid bills,¹⁶¹ and as previously discussed, had requested that the San Bernadino County Sherriff's Office arrest customers for hindering the disconnection of their water meters.¹⁶²

C. September 5, 2025 Joint EPA/CPUC Community Meeting

On September 5, 2024, EPA and WD staff held a joint community meeting at Friendship Hall, 148808 Havasu Lake Rd, Havasu Lake, CA 92363 from 6:00 pm to 9:00

¹⁶¹ Attachment 52 – San Bernardino County Superior Court Havasu Water Company small claims cases.

¹⁶² Attachment 49 – Wilson Tsai Email to ALJ Afary, Subject Line: Re: C2410016 – Cease and Desist Ruling, October 30, 2024.

Attachment 50 – Jonathan Koltz Email to San Bernardino County, October 30, 2024.

1 pm.¹⁶³ The meeting was held both in-person and virtually. The purpose of the meeting
2 was to discuss EPA and CPUC oversight of Havasu, provide more information on recent
3 enforcement actions undertaken by both agencies, and to address inquiries and comments
4 from the community. Questions from the community were provided to both agencies in
5 advance of the meeting. The questions for WD staff focused on recent rate increases,
6 replacing of customers' water meters, and billing discrepancies.¹⁶⁴ Questions for EPA
7 staff focused on the transfer of regulatory authority from DDW to EPA, public noticing
8 for outages or leaks, and water quality and service concerns.¹⁶⁵

9 The community meeting had a minimum of 65 attendees in-person based on the
10 sign-in sheet.¹⁶⁶ The meeting also had 61 attendees virtually through Zoom. WD staff
11 presented on the Commission, WD's role, the informal advice letter process, Havasu's
12 enforcement history, and the informal and formal complaint processes.¹⁶⁷ After
13 presentations were completed, staff took questions from the audience. Many customers
14 expressed concerns about the poor water quality and inconsistent service in comparison
15 to high bill amounts. Others were frustrated with the lack of compliance and defiance by
16 Havasu with regulatory agencies since 2022 which they felt had no repercussions. In
17 addition, despite the many enforcement actions taken, the community saw no
18 improvement to Havasu's operations, water quality, or water service. While the meeting
19 was originally scheduled to end at 9:00 pm, staff stayed until approximately 10:00 pm
20 due to the overwhelming amount of comments, concerns, and questions from customers.

21 On November 6, 2024, EPA provided the public with a Q&A document which
22 included a compilation of questions asked by attendees at the community meeting that

¹⁶³ Attachment 53 – Havasu Water Company Community Meeting Flyer, EPA, July 11, 2024.

¹⁶⁴ Attachment 54 – Q&A for the PUC, Havasu Lake Community.

¹⁶⁵ Attachment 55 – Q&A for the EPA, Havasu Lake Community.

¹⁶⁶ EPA staff noted that some attendees signed for all members of their household in attendance while others did not fill out the sign-in sheet at all. The sign-in sheet has 65 names which constitutes the minimum number of in-person attendees.

¹⁶⁷ Attachment 56 –Water Division Presentation, Water Division, September 5, 2024.

1 were unanswered or needed additional clarification to the response provided at the
2 meeting. The 17-page document is comprised of 51 questions which echo the concerns
3 expressed by customers at the community meeting. Responses were provided by EPA
4 and WD for their respective questions.¹⁶⁸

5 **VI. HAVASU'S ONGOING LEGAL DISPUTE POSES A THREAT TO** 6 **RELIABLE WATER SERVICE FOR ITS CUSTOMERS**

7 The current sole source of water for the Havasu system is Lake Havasu. Havasu's
8 access to Lake Havasu is through a supply line that crosses Tribal Land via an easement.
9 The terms of the easement agreement ended in June 2006.¹⁶⁹ Despite efforts by the
10 Tribe, Havasu was unwilling to negotiate new terms for the easement. The Tribe filed a
11 complaint in March 2020 against Havasu in the U.S. District Court for the Central
12 District of California, alleging trespass and other claims.¹⁷⁰ On July 28, 2022, the district
13 court granted partial summary judgment in the Tribe's favor and denied Havasu's counter
14 motion for summary judgment.¹⁷¹

15 Following the district court's July 2022 ruling, Havasu submitted a letter to the
16 Commission's Executive Director's office, dated March 2, 2023, requesting correction of
17 Resolution W-5059 pursuant to Rule 16.5.¹⁷² Subsequently, Havasu submitted a Petition
18 for Modification (PFM) of Res. W-5059, dated July 19, 2023.¹⁷³ The Request for
19 Correction and PFM both requested the Commission delete the following statements

¹⁶⁸ Attachment 57 – Havasu Water Company Meeting Q&A, EPA and Water Division, November 6, 2024.

¹⁶⁹ Attachment 58 – Commission Resolution W-5059, Water Division, September 17, 2015. Res. W-5059 provides an overview of Havasu's source of supply including the expiration of the easement agreement in 2006, p. 2.

¹⁷⁰ This easement is the subject of a complaint filed in March 2020 by the Tribe against Havasu in the U.S. District Court for the Central District of California, alleging trespass and other claims. First Amended Complaint, *Chemehuevi Indian Tribe v. Havasu Water Co.*, No. 5:20-cv-00471-GW-KK (C.D. Cal. July 29, 2020).

¹⁷¹ Attachment 2 - *Chemehuevi Indian Tribe v. Havasu Water Co. et al.*, No. EDCV 20-471-GW-KKx, at 23 (C.D. Cal. July 28, 2022).

¹⁷² Attachment 59 – Proposed Order Correcting Res. W-5059, Havasu Water Company, March 2, 2023.

¹⁷³ Attachment 60 – Petition for Modification of Res. W-5059, Havasu Water Company, July 19, 2023.

1 from Res. W-5059, and all subsequent references to this statement in any other
2 Resolution or Decision of the Commission: “HWC’s easement for the supply line expired
3 in 2006. Following, the expiration of the contract in 2006... HWC and the Chemehuevi
4 Indian Tribe have not yet negotiated a settlement.”¹⁷⁴

5 On October 18, 2023, before the Commission acted on either the Request for
6 Correction or the PFM, Havasu filed a petition for Writ of Mandate with the California
7 Supreme Court (Case No. S282329) to compel the Commission to rule on the PFM.¹⁷⁵
8 On January 10, 2024, the Court summarily denied Havasu’s Writ of Mandate.¹⁷⁶ On
9 June 20, 2024, the Commission approved Res. W-5274 denying Havasu’s Request for
10 Correction and PFM of Res. W-5059.¹⁷⁷

11 In subsequent rulings in the Tribe’s federal case, the district court directed the
12 parties, Havasu and the Tribe, to pursue settlement on the limited issue of determining the
13 amount of damages Havasu owes the Tribe for Havasu’s ongoing trespass.¹⁷⁸ To date, a
14 settlement on damages and the terms of ejectment for Havasu’s equipment have not been
15 reached. Even so, Havasu filed AL 51-W on October 10, 2023, requesting to amortize
16 the combined balance of \$310,951.25 recorded in its Legal Expenses Memorandum
17 Account (LEMA) and Memorandum Account – Chemehuevi Indian Tribe (CMA)
18 through a monthly surcharge of \$39.44 for 36 months.¹⁷⁹ WD issued its disposition letter
19 on April 3, 2024, rejecting Havasu’s request due to improper service and also because as

¹⁷⁴ Attachment 60 – Petition for Modification of Res. W-5059, Havasu Water Company, July 19, 2023. p. 1.

¹⁷⁵ Attachment 61 – Petition for Writ of Review of CPUC’s Failure to Rule on Petition for Modification of CPUC Resolution W-5059 AND Mandate to Correct Resolution W-5059 and Memorandum of Points and Authorities, filed by Patrick Webb for Havasu in the California Supreme Court on October 18, 2023.

¹⁷⁶ Attachment 62 – Case S282329 Denial of Petition for Writ of Mandamus, California Supreme Court, January 10, 2024.

¹⁷⁷ Resolution W-5274, June 20, 2024.
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M534/K843/534843582.PDF>

¹⁷⁸ Attachment 2 - *Chemehuevi Indian Tribe v. Havasu Water Co. et al.*, No. EDCV 20-471-GW-KKx.

¹⁷⁹ Attachment 63 – Havasu Water Company Advice Letter 51-W, October 10, 2023.

1 the defendant, per Standard Practice U-27-W, Havasu cannot seek recovery on legal
2 expenses until the case is closed.¹⁸⁰

3 **VII. HAVASU VIOLATED GENERAL ORDER 103-A, SECTION III.C(3)**
4 **BY FAILING TO MAKE NECESSARY REPAIRS ON PUBLIC**
5 **RIGHT-OF-WAY**

6 Havasu had numerous instances in which the utility failed to apply for the
7 necessary permits from San Bernardino County (County) to conduct repair work on
8 public rights-of-way. In addition, the repair work conducted by Havasu was defective or
9 incomplete resulting in public safety concerns that were reported by multiple residents.
10 GO 103-A, Section III.C(3) specifies the minimum standards for all repairs associated
11 with a utility's water and wastewater system. Standard 7 requires that the ground surface
12 shall be repaired to at least its original condition. As evidenced by the complaints
13 received by customers and the County having to intervene and make the necessary
14 repairs, Havasu violated GO 103-A, Section III.C(3) on numerous occasions.

15 During the period of January 2021 through February 2023, the County reached out
16 to Havasu regarding at least ten incidents where Havasu's repair work was defective or
17 incomplete. Havasu failed to correct or remedy any of these defects.¹⁸¹

18 During February 2023, the County issued a formal notice to Havasu regarding
19 unpermitted and improper repairs. The County also required Havasu to apply for the
20 necessary work permits. Havasu failed to resolve the improper repairs, nor did it apply
21 for the permits.¹⁸²

22 Havasu had been relying on a Conditional Use Work Authority Permit, typically
23 issued for emergency work, that expired on February 24, 2024. In March 2024, after
24 receiving multiple complaints from residents about public safety risks due to open

¹⁸⁰ Attachment 64 – Havasu Water Company AL 51-W Disposition Letter, Water Division, April 3, 2024.

¹⁸¹ Attachment 65 – October 9, 2024 Notice of Unpermitted Work and Repeated Violations of San Bernardino County Ordinances, Permitting Requirements, and Franchise Agreement, San Bernardino County Department of Public Works, p. 2.

¹⁸² Attachment 66 – San Bernardino County Letter to Havasu Water Company, February 2023.

trenches and substandard work from Havasu, the County reminded Havasu that its work permit had expired.¹⁸³

On July 18, 2024, EPA staff notified WD that the County sent an invoice to Havasu for emergency road work done as a result of insufficient road restoration by Havasu after repairing water line breaks.¹⁸⁴ The County contacted Havasu initially to fix the roads, but Havasu failed to respond in a timely manner. Due to receiving complaints from the public about the poor condition of the roads, the County intervened, did the repairs instead and issued an invoice to Havasu.¹⁸⁵

Havasu rejected the invoice requesting reimbursement for the road repair work conducted by the County to correct the utility's unsatisfactory work and on August 27, 2024, the County issued a letter to Havasu in response. The letter stated that despite multiple requests from the County, Havasu still failed to apply for the necessary work permits.¹⁸⁶ The County again requested that Havasu apply for the necessary permits as soon as possible since its Conditional Use Work Authority Permit expired on February 24, 2024.¹⁸⁷ Havasu failed to respond to the County.

VIII. HAVASU'S AND JENNIFER HODGES' ACTIONS AND VARIOUS MISREPRESENTATIONS EXHIBIT BLATANT DISREGARD AND DISRESPECT OF THE COMMISSION IN VIOLATION OF COMMISSION RULE 1.1 AND DEMONSTRATE UNFAVORABLE CONSEQUENCES TO HAVASU'S CUSTOMERS.

Havasu, and its owner Jennifer Hodges, have on multiple occasions disregarded and disrespected Commission jurisdiction. Additionally, Ms. Hodges and Havasu have made misrepresentations to the Commission and other regulatory agencies. WD staff

¹⁸³ Attachment 65 – October 9, 2024 Notice of Unpermitted Work and Repeated Violations of San Bernardino County Ordinances, Permitting Requirements, and Franchise Agreement, San Bernardino County Department of Public Works, p. 2.

¹⁸⁴ Attachment 67 – Email from Annie Wan to Wilson Tsai, July 18, 2024.

¹⁸⁵ Attachment 68 – San Bernardino County Letter to Havasu Water Company, July 17, 2024.

¹⁸⁶ Attachment 69 – San Bernardino County Letter to Havasu Water Company, August 27, 2024.

¹⁸⁷ Attachment 69 – San Bernardino County Letter to Havasu Water Company, August 27, 2024.

1 alleges that these actions are in violation of California Public Utilities Commission Rules
2 of Practice and Procedure, Rule 1.1, Ethics which states:

3 Any person who signs a pleading or brief, enters an appearance at a
4 hearing, or transacts business with the Commission, by such act represents
5 that he or she is authorized to do so and agrees to comply with the laws of
6 this State; to maintain the respect due to the Commission, members of the
7 Commission and its Administrative Law Judges; and never to mislead the
8 Commission or its staff by an artifice or false statement of fact or law.”¹⁸⁸

9 Examples of Ms. Hodges’ and Havasu’s actions constituting violation of Rule 1.1
10 are discussed below.

11 In Advice Letter (AL) 52-W, filed on December 8, 2023, Havasu misled the
12 Commission by filing a service area map that inaccurately claimed an area served by the
13 Tribe’s water service and conflicted with prior advice letter filings and Commission
14 decisions.¹⁸⁹ The Commission rejected this false representation in Resolution W-5276,¹⁹⁰
15 in part because the filing as a Tier 1 advice letter did not comply with GO 96-B
16 requirements.¹⁹¹ Resolution W-5276 also states, “[w]hile filing an advice letter in the
17 wrong tier alone provides grounds for denial, Water Division also noted Havasu’s AL 52-
18 W filing ignored prior Commission precedent regarding the provision of water service to
19 the Vista del Lago community. Decision 06-04-007 established that Vista del Lago would
20 receive water service from the “Chemehuevi Indian Tribe, an independent Native
21 American nation not subject to regulation by the Commission.”¹⁹² As noted in AL 41-W,
22 and confirmed by WD with the Tribe, City of Needles, and State Water Board, Vista del
23 Lago residents continue to be served by Chemehuevi Water Service. Furthermore, D.06-

¹⁸⁸ Rule 1.1 (Ethics.)

¹⁸⁹ Attachment 70 – Havasu Water Company Advice Letter 52-W, Havasu Water Company, December 8, 2023.

¹⁹⁰ Resolution W-5276,
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M537/K570/537570135.PDF>

¹⁹¹ Attachment 71 – Rejection of Havasu Water Company Advice Letter 52-W, Water Division, February 13, 2024.

¹⁹² D. 06-04-007 at 2.

1 04-007 stated Havasu did not have the capacity to serve the Vista del Lago development
2 without significant improvements.¹⁹³

3 AL 52-W also states, “This map does not add any additional service area not
4 already described in the tariff book, Decisions, and prior accepted Advice Letters” and
5 was signed by Ms. Hodges on December 8, 2023.¹⁹⁴ Havasu’s misrepresentation of the
6 facts in AL 52-W could have resulted in the Commission adopting an inaccurate
7 description of the easement and denying the Tribes ownership.¹⁹⁵ Multiple federal courts
8 have established that the easement area is part of the Chemehuevi Indian Tribe’s
9 reservation.¹⁹⁶

10 Additionally, Jennifer Hodges misrepresented to Havasu’s customers and the
11 Commission that the meter replacements are “based upon the recommendations of the
12 County” and have “long been approved by the CPUC”.¹⁹⁷ Staff emailed San Bernardino
13 County Public Works (SBC Public Works) to inquire whether they made such
14 recommendation. SBC Public Works responded in an email that the claims are
15 “completely unfounded“, and that unless Havasu can produce documentation that the
16 county directed the replacement of meters, the “claim is entirely fabricated.”¹⁹⁸ The
17 email added that meter replacements require permits from SBC Public Works which
18 Havasu has failed to obtain.¹⁹⁹ This led WD staff to issue a formal data request requiring
19 Havasu to provide documents supporting those claims.²⁰⁰ Jennifer Hodges responded
20 with an email simply disregarding the data request, by failing to provide any of the

¹⁹³ D. 06-04-007 at 4.

¹⁹⁴ See AL 52-W at pp. 1 and 4.

¹⁹⁵ See AL 52-W at p. 1

¹⁹⁶ In addition, to the summary judgment in the ejectment case heard in California’s Central District Court, the Ninth Circuit has also established the boundaries of the reservation in *Chemehuevi Indian Tribe v. McMahon*, (9th Cir. 2019) 934 F.3d 1076, 1082.

¹⁹⁷ Attachment 72 – Notice to Customers Re: Water Meters, Havasu Water Company, May 10, 2025.

¹⁹⁸ Attachment 73 – Johnny Gayman Email to Wilson Tsai, May 6, 2025.

¹⁹⁹ Attachment 73 – Johnny Gayman Email to Wilson Tsai, May 6, 2025.

²⁰⁰ Attachment 74 – Havasu Water Company Data Request, Water Division, May 6, 2025.

1 documents requested, and reiterated her claim stating, “we’ve contacted both the San
2 Bernardino County Building Dept & our meter suppliers & they’ve informed us that the
3 larger meters are more accurate”.²⁰¹ Jennifer Hodges not only disregarded the data
4 request by failing to provide any of the documents requested, but also made a
5 misrepresentation to staff – constituting two Rule 1.1 violations.

6 As discussed above, Jennifer Hodges’ failure to respond to the data request led to
7 a cease and desist and her unwillingness to discontinue replacing water meters without
8 authorization led to a notice of violation.

9 On October 9, 2024, a letter from the San Bernardino County Department of
10 Public Works stated that “HWC has been distributing false and misleading information to
11 residents,” by claiming that the County’s repair works caused water service disruption to
12 the community.²⁰² The letter further stated that, on the contrary, the repairs “were
13 necessary to mitigate the hazardous conditions caused by HWC’s failure to meet the
14 required standards,” and “HWC’s defective workmanship”.²⁰³ The County demanded
15 that Havasu cease making false statements.

16 Similar to the developments of the data request regarding water meters, WD staff
17 also issued a data request on October 11, 2024 regarding fire hydrant maintenance in
18 Havasu’s service area.²⁰⁴ Although Jennifer Hodges responded on October 24, 2024²⁰⁵
19 **Error! Bookmark not defined.**stating they are awaiting information to be able to
20 provide a response, she has not done so. This failure to respond resulted in WD issuing a
21 notice of violation on March 7, 2025 and instructing Havasu to comply with directives.

²⁰¹ Attachment 75 – Jennifer Hodges Email to Wilson Tsai in response to WD Data Request, May 6, 2025.

²⁰² Attachment 65 – October 9, 2024 Notice of Unpermitted Work and Repeated Violations of San Bernardino County Ordinances, Permitting Requirements, and Franchise Agreement, San Bernardino County Department of Public Works, p. 2.

²⁰³ Attachment 65 – October 9, 2024 Notice of Unpermitted Work and Repeated Violations of San Bernardino County Ordinances, Permitting Requirements, and Franchise Agreement, San Bernardino County Department of Public Works, p. 2.

²⁰⁴ Attachment 32 – Havasu Water Company Data Request #1, October 11, 2024.

²⁰⁵ Attachment 33 – Email from Havasu Water Company, October 24, 2024.

1 Again, Havasu failed to comply, and this resulted in a \$10,000 citation issued on May 12,
2 2025.

3 As briefly mentioned in Section II.D of this report, the EPA has also demanded
4 that Jennifer Hodges cease further issuance of misinformation to customers. In its
5 February 14, 2024 letter, the EPA stated, “it is unacceptable to represent to your
6 customers that the reason for the current Boil Water Notice is somehow related to EPA
7 funding.” and that “Your failure to submit the required reporting is the reason for the Boil
8 Water Notice, as was stated in the notice we provided to you to distribute to your
9 customers.”²⁰⁶ The letter additionally stated, “your assertions in this letter to customers
10 regarding the SDWA are wholly inaccurate.” and that, “the citation you provided in the
11 letter does not exist.”²⁰⁷ The EPA ordered, “Effectively (sic) immediately, the HWC
12 must cease to disseminate and post misinformation related to the current Boil Water
13 Notice. We hope your efforts could rather be focused on acquiring the data needed to lift
14 the Boil Water Notice and providing accurate and complete monitoring reports to
15 EPA.”²⁰⁸

16 EPA again raised concerns about misinformation in Emergency Administrative
17 Order No. PWS-AO-2025-002 issued on November 6, 2024.²⁰⁹ Finding 11 of the order
18 states: “During four of these water outage incidents, the System did not issue a Boil
19 Water Notice (BWN) even though there was a loss of pressure in the system. Despite
20 clear direction from EPA, Respondent failed to issue a timely BWN to all customers on

²⁰⁶ EPA Letter to Havasu Water Company Re: BWN 2.14.24, EPA, February 14, 2024, p. 3.
<https://www.epa.gov/system/files/documents/2024-05/epa-letter-havasus-water-company-re-current-bottled-water-notice-2024-02-14.pdf>

²⁰⁷ EPA Letter to Havasu Water Company Re: BWN 2.14.24, EPA, February 14, 2024, p. 3.
<https://www.epa.gov/system/files/documents/2024-05/epa-letter-havasus-water-company-re-current-bottled-water-notice-2024-02-14.pdf>

²⁰⁸ EPA Letter to Havasu Water Company Re: BWN 2.14.24, EPA, February 14, 2024, p. 3.
<https://www.epa.gov/system/files/documents/2024-05/epa-letter-havasus-water-company-re-current-bottled-water-notice-2024-02-14.pdf>

²⁰⁹ Havasu Water Company Emergency Administrative Order No. PWS-AO-2025-002, EPA, November 6, 2024, <https://www.epa.gov/system/files/documents/2024-11/pws-ao-2025-002-havasus-water-company-pws-eao-2024-11-06.pdf>

both occasions where EPA explicitly required it. In several instances, the Respondent has distributed misinformation to customers with language that nullified the purpose of the required notice and by physically covering a BWN posted in a public place with a letter with misinformation, despite EPA providing a template and direction for issuance of BWN's."²¹⁰ Additionally, as mentioned in Section V.B of this report, Jennifer Hodges has taken several Havasu customers to small claims court and attempted to have at least one customer arrested for a disconnection dispute. She has also refused to follow orders or rulings and decisions in at least two formal complaints as further described above.

Jennifer Hodges' actions, in whole, demonstrate her unwillingness to cooperate with the Commission and other regulatory agencies and her hostile attitude to both the Commission and Havasu's own customers, thus leading WD staff to conclude that Havasu will be best managed under a receivership.

IX. CONCLUSION AND RECOMMENDATIONS

Staff believes Havasu and its owner, Jennifer Hodges is unable to or unwilling to adequately serve Havasu's ratepayers and is unresponsive to the rules or orders of this Commission as demonstrated by the following alleged violations of the Pub. Util. Code, General Orders, and other state and federal regulatory provisions:

1. Havasu has failed to properly repair and maintain its water distribution and treatment systems to produce safe, and reliable water quality.

2. Havasu failed to respond or take appropriate corrective actions to various citations and notices of violations issued by the Commission.

3. Havasu has failed to properly service and maintain fire hydrants, including failure to provide requested records of inspection, testing, and maintenance.

4. Havasu did not obtain proper authorization prior to upsizing its customers' water meters and increasing their monthly charge, and failed to provide proper notice to its customers of the increase.

²¹⁰ Havasu Water Company Emergency Administrative Order No. PWS-AO-2025-002, EPA, November 6, 2024, Finding of Fact 11, p. 3. <https://www.epa.gov/system/files/documents/2024-11/pws-ao-2025-002-havasus-water-company-pws-eao-2024-11-06.pdf>

1 5. Havasu failed to comply with Water Division's Cease and Desist in replacing
2 water meters.

3 6. Havasu failed to comply with various Commission rulings and decisions.

4 7. Havasu's ongoing legal dispute with the Chemehuevi Indian Tribe poses a
5 threat to reliable water service to its customers.

6 8. Havasu consistently fails to obtain necessary permits and make adequate repairs
7 on public rights-of-way.

8 9. Jenniffer Hodges' misrepresentations and actions exhibit blatant disregard of
9 Commission authority and disrespect to Commission staff.

10 Therefore, staff recommends the Commission open an Order Instituting
11 Investigation to determine whether Havasu has failed to properly operate and maintain its
12 water distribution and treatment systems to produce safe and reliable water quality and
13 failed to comply with regulations, and orders of state and federal regulatory agencies.
14 The Commission should also order Havasu to show cause why, if violations are found,
15 penalties, interest and other remedies, including a petition for the appointment of a
16 receiver in accordance with Public Utilities Code Section 1826, should not be imposed.

EXHIBIT C

LESTER J. MARSTON
Email: ljmarston@rmlawoffice.net
Attorney for Plaintiff, Chemehuevi Indian Tribe
California State Bar No. 081030
RAPPORT AND MARSTON
405 West Perkins Street
Ukiah, California 95482
Telephone: 707-462-6846
Facsimile: 707-462-4235

KOSTAN R. LATHOURIS
Email: law@lathouris.com
Attorney for Plaintiff, Chemehuevi Indian Tribe
California State Bar No. 315329
LATHOURIS LAW PLLC
1447 Evening Song Ave
Henderson, NV 89012
Telephone: 702-473-0581

**UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

CHEMEHUEVI INDIAN TRIBE, a
federally recognized Indian tribe,

Plaintiff,

v.

HAVASU WATER COMPANY, et al.

Defendants.

Case No. EDCV 20-471-GW-SPx

ORDER OF EJECTMENT

Date: January 8, 2026

Time: 8:30 am PST

Judge: Hon. George H. Wu

Trial Date: TBD

Action Filed: March 9, 2020

Pursuant to prior orders of the Court, IT IS HEREBY ORDERED that:

- (1) Defendants are ENJOINED to cease all operations and to remove, at Defendants' sole expense, all above ground and underground infrastructure, equipment, and installations within the Chemehuevi

1 Indian Reservation and to arrange reasonable remediation¹ at those
2 sites on or before June 15, 2026.² This includes, but is not limited to:

3 (A) Electrical wires, breaker boxes, conduit, fencing (both chain
4 link and pipe), engines, pumps, electrical motors, piping,
5 concrete footings and supporting structures, a 500-gallon +/-
6 fuel tank with miscellaneous attachments and supply lines, and
7 any additional man-made installations visible or discovered
8 during the removal process.

9 (B) The pipeline system that enters the lake on the Tribe's shoreline,
10 including any submerged pipelines, pumps, and supporting
11 structures, which shall be removed in their entirety.

12 (C) The pipeline segment transporting water from the lake to the
13 storage tank, which shall be removed entirely except where it
14 enters and exits the Tribe's lands, where it may be cut and
15 capped at locations designated by the Tribe that are at least five
16 (5) feet underground.

17 (D) The pipeline segment exiting the Tribe's reservation, which may
18 also be cut and capped at the Tribe's lands' boundary or another
19 location designated by the Tribe that is at least five (5) feet
20 underground.

21 (E) Submerged infrastructure, including pipelines and pumps, shall
22 be removed in compliance with applicable federal and
23

24 ¹ For purposes of this Order, "reasonable remediation" means that Defendants shall: restore each
25 disturbed area to a safe and stable condition; remove and properly dispose of any debris,
26 hazardous materials, or contamination resulting from their facilities or removal activities; and
27 comply with all applicable Tribal, federal, and California environmental, health, and safety
28 requirements, but shall not be required to construct new improvements or facilities for the Tribe.

² Defendants may, in their discretion, elect not to remove some or all such infrastructure,
equipment, and installations, in which case Paragraph (3) shall govern the abandonment and
treatment of any facilities remaining as of June 16, 2026.

California safety and operational standards, including guidelines from the California Environmental Protection Agency and any federal agency standards for submerged infrastructure removal.

(2) If Defendants fail to comply with this Order within the prescribed timeline, Defendants may be subject to civil penalties, including fines in an amount to be determined by the Court per each day of noncompliance with the cessation, removal, or remediation obligations in Paragraph (1).

(3) If Defendants fail to remove any infrastructure, equipment, or installations as required by Paragraph (1) on or before June 15, 2026, then, as of and effective June 16, 2026: any such infrastructure, equipment, and installations remaining within the Chemehuevi Indian Reservation shall be deemed abandoned by Defendants; Defendants shall have no further right, title, or interest therein; and the Tribe may remove, dispose of, or otherwise use such property in its sole discretion and without liability to Defendants. Defendants shall leave any infrastructure, equipment, or installations they elect not to remove in substantially the same or better physical condition, ordinary wear and tear excepted, as existed as of the date of this Order.

(4) On or before March 12, 2026, Defendants shall provide written notice to the Tribe stating, for each category of infrastructure, equipment, and installations within the Chemehuevi Indian Reservation, whether Defendants intend to remove such property pursuant to Paragraph (1) or to leave it in place to be deemed abandoned pursuant to this Paragraph (3). Defendants' failure to provide such notice shall not limit or impair the Tribe's rights under Paragraph (3), including the abandonment of any infrastructure, equipment, or installations

1 remaining within the Chemehuevi Indian Reservation as of June 16,
2 2026.

3 (5) Nothing in this Order, including the abandonment provision,
4 authorizes Defendants to damage, impair, or sabotage any
5 infrastructure, equipment, or installations located within the
6 Chemehuevi Indian Reservation. Prior to removal or abandonment,
7 Defendants shall not intentionally damage, disable, or contaminate any
8 such infrastructure, equipment, or installations, including, without
9 limitation, by filling pipelines with concrete or other materials,
10 crushing or collapsing pipelines in place, or otherwise rendering them
11 unusable or creating additional contamination. Any such intentional
12 damage or contamination shall constitute a violation of this Order and
13 may be addressed by the Court through its contempt powers and such
14 additional legal or equitable relief as the Court deems appropriate.

15 (6) To facilitate enforcement of Paragraph (3) and Paragraph (5), on or
16 before January 30, 2026, the parties shall cause their designated
17 representatives to meet on site, upon reasonable advance notice and at
18 a mutually agreeable time, to jointly document through photographs,
19 video, and/or other reasonable means the location and observable
20 condition of the infrastructure, equipment, and installations subject to
21 this Order. The documentation prepared pursuant to this Paragraph is
22 intended to create a baseline evidentiary record and shall not limit the
23 Tribe's ability to prove, or the Court's ability to find, additional
24 damage, impairment, or contamination occurring after that date.

25 (7) Nothing in this Order is intended to limit whatever authority the
26 California Public Utilities Commission ("CPUC") otherwise has,
27 under applicable law, to appoint a receiver for Havasu Water Company
28 or to direct or approve alternative water-supply arrangements for

1 Defendants' existing customers, to the extent such actions do not
2 require or authorize any use or occupation of the Chemehuevi Indian
3 Tribe's trust lands or facilities located thereon without the Tribe's
4 express consent. For the avoidance of doubt, nothing in this Paragraph
5 shall be construed as:

6 (A) Conferring upon the CPUC or any other regulatory body
7 or court any jurisdiction or regulatory authority over the
8 Tribe or its trust lands that does not otherwise exist under
9 applicable law;

10 (B) Authorizing any regulatory body or any state or federal
11 court to alter, revisit, or disregard this Court's
12 determinations that the 1976 right-of-way across the
13 Chemehuevi Indian Tribe's trust lands has expired and
14 that Defendants have no present right to occupy or use the
15 Tribe's trust lands without the Tribe's consent; or

16 (C) Requiring the Tribe to grant any easement, waive its
17 sovereign immunity, or consent to any particular
18 regulatory outcome.

19 (8) The Tribe reserves the right to seek additional legal or equitable
20 remedies should Defendants fail to comply with any provision of this
21 Order.

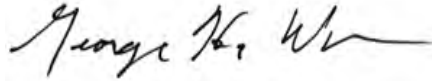
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1 (9) This Order is binding upon Defendants and their officers, agents,
2 servants, employees, and attorneys, and upon other persons who are in
3 active concert or participation with them and who receive actual notice
4 of this Order.

5 IT IS SO ORDERED.

6
7 Dated: January 8, 2026



8 HON. GEORGE H. WU,
9 United States District Judge

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EXHIBIT D

RECORDING REQUESTED BY

JH Family Limited Partnership

AND WHEN RECORDED MAIL DOCUMENT AND
TAX STATEMENT TO:

NAME JHFLP (Attn: Jennifer Hodges)
STREET ADDRESS 2312 Park Ave. #421
CITY, STATE & ZIP CODE Tustin, CA 92782



Recorded in Official Records
San Bernardino County

Assessor-Recorder-County Clerk

DOC# 2025-0257862

10/23/2025
02:31 PM
SAN
A5235

Titles: 1 Pages: 1

Fees	\$14.00
Taxes	\$1.85
CA SB2 Fee	\$0.00
Total	\$15.85

TITLE ORDER NO.

ESCROW NO.

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

GRANT DEED

APN: 0649-281-28

The undersigned grantor(s) declare(s):
DOCUMENTARY TRANSFER TAX \$ 1.65

- ☒ computed on full value of property conveyed, or
☐ computed on full value less liens and encumbrances remaining at time of sale.
☒ Unincorporated Area ☐ City of _____

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, I (We)
Havasu Water Company, Inc.
hereby remise, release and grant to

JH FAMILY LIMITED PARTNERSHIP

the following described real property in the City of _____ unincorporated area _____, County of San Bernardino
State of California, with the following legal description:

Parcel map 7214 Page 4

Havasu Water Company, Inc.

October 22, 2025

Date

J. Hodges for HWC
Signature of Grantor
Jennifer L. Hodges
Typed or Printed Name of Grantor

J. Hodges
Signature of Grantor
Jennifer L. Hodges, President & CEO
Typed or Printed Name of Grantor

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California

COUNTY OF San Bernardino

On 10/23/2025 before me, PINZE ZHANG Notary Public
(Date) (Name and title of the officer)

personally appeared Jennifer L. Hodges who proved to me on the basis of
(Name of person signing)

satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]

Signature of officer



* There are various types of deed forms depending on each person's legal status. Before you use this form you may want to consult an attorney if you have questions concerning which document form is appropriate for your transaction.

EXHIBIT E

RECORDING REQUESTED BY

JH Family Limited Partnership

AND WHEN RECORDED MAIL DOCUMENT AND
TAX STATEMENT TO:

NAME JHFLP (Attn: Jennifer Hodges)

STREET ADDRESS 2312 Park Ave. #421

CITY, STATE & ZIP CODE Tustin, CA 92782



Recorded in Official Records
San Bernardino County

Assessor-Recorder-County Clerk

DOC# 2025-0257863

10/23/2025

02:31 PM

SAN

A5235

Titles: 1 Pages: 1

Fees \$14.00

Taxes \$1.10

CA SB2 Fee \$0.00

Total \$15.10

TITLE ORDER NO.

ESCROW NO.

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

GRANT DEED

APN: 0649-211-10

The undersigned grantor(s) declare(s):
DOCUMENTARY TRANSFER TAX \$ 1.10

- ☒ computed on full value of property conveyed, or
☐ computed on full value less liens and encumbrances remaining at time of sale.
☒ Unincorporated Area ☐ City of _____

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, I (We)

Havasu Water Company, Inc.

hereby remise, release and grant to

JH Family Limited Partnership

the following described real property in the City of unincorporated area, County of San Bernardino
State of California, with the following legal description:

PTN N 1/2 SE 1/4 SEC 36 TP 5N R 24E COM AT SE COR SD N 1/2 SE 1/4 SD SEC TH WALG S LI THEREOF 200 FT TH N 10 FT TH N 89 DEG 54 MIN 30 SECONDS E 180.04 FT TO BEG OF A TANGENT CURVE CONCAVE NWLY WITH A RADIUS OF 20 FT TH NELY 31.38 FT ALG ARC SD CURVE TO INTERSECTION WITH E LI N 1/2 SE 1/4 SD SEC TH S ALG SD E LI 29.96 FT TO POB EX 1/16 INT MNL RTS AS RESERVED BY STATE OF CALIF

October 22, 2025

Havasu Water Company, Inc.

J. Hodges for HWC
Signature of Grantor
Jennifer L. Hodges
Typed or Printed Name of Grantor

J. Hodges
Signature of Grantor
Jennifer L. Hodges, President & CEO
Typed or Printed Name of Grantor

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California

COUNTY OF San Bernardino

On 10/23/2025 before me, PINZE ZHANG Notary public
(Date) (Name and title of the officer)

personally appeared Jennifer L. Hodges who proved to me on the basis of
(Name of person signing)
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or this entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Signature of officer



(Seal)

* There are various types of deed forms depending on each person's legal status. Before you use this form you may want to consult an attorney if you have questions concerning which document form is appropriate for your transaction.

EXHIBIT F

RECORDING REQUESTED BY

JH Family Limited Partnership

AND WHEN RECORDED MAIL DOCUMENT AND
TAX STATEMENT TO:

NAME JHFLP (Attn: Jennifer Hodges)

STREET ADDRESS 2312 Park Ave. #421

CITY, STATE & ZIP CODE Tustin, CA 92782



Recorded in Official Records
San Bernardino County

Assessor-Recorder-County Clerk

DOC# 2025-0257864

10/23/2025

02:31 PM

SAN

A5235

Titles: 1 Pages: 2

Fees \$17.00

Taxes \$27.50

CA SB2 Fee \$0.00

Total \$44.50

TITLE ORDER NO.

ESCROW NO.

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

GRANT DEED

APN: 0649-212-19

The undersigned grantor(s) declare(s):
DOCUMENTARY TRANSFER TAX \$ 27.50

- ☒ computed on full value of property conveyed, or
☐ computed on full value less liens and encumbrances remaining at time of sale.
☒ Unincorporated Area ☐ City of _____

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, I (We)

Havasu Water Company, Inc.

hereby remise, release and grant to

JH Family Limited Partnership

the following described real property in the City of unincorporated area, County of San Bernardino
State of California, with the following legal description:

(See Exhibit "A" attached)

Havasu Water Company, Inc.

October 22, 2025

Date

JHFLP for HVC
Signature of Grantor
Jennifer L. Hodges
Typed or Printed Name of Grantor

JHFLP
Signature of Grantor
Jennifer L. Hodges, President & CEO
Typed or Printed Name of Grantor

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California

COUNTY OF San Bernardino

On 10/23/2025 before me, PINZE ZHANG Notary Public
(Date) (Name and title of the officer)

personally appeared Jennifer L. Hodges who proved to me on the basis of
(Name of person signing)

satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Signature of officer



* There are various types of deed forms depending on each person's legal status. Before you use this form you may want to consult an attorney if you have questions concerning which document form is appropriate for your transaction.

Exhibit "A"

Legal Description

Real property in the unincorporated area of the County of San Bernardino, State of California, described as follows:

PARCEL 1 OF PARCEL MAP NO. 14906 IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 181 PAGES 94 AND 95 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM 1/16TH OF ALL COAL, OIL, GAS, AND OTHER MINERAL DEPOSITS CONTAINED IN SAID LAND, AS RESERVED BY THE STATE OF CALIFORNIA IN THE PATENT RECORDED JUNE 11, 1956 IN BOOK 3958, PAGE 562 OF OFFICIAL RECORDS, IN THE OFFICE OF SAID COUNTY RECORDER.

APN: 0649-212-19

EXHIBIT G



California
Secretary of State

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Business Search

Access records for California Corporations, Limited Liability Companies (LLCs), and Limited Partnerships (LPs). Quickly retrieve public filings with free PDF copies of over **17 million** business documents.

Filing a Statement of Information, Amendment, or Termination & Ordering Certified Copies or Certificates

1

Create a [bizfile online account](#) or [login](#) to your existing **bizfile** Online account.

2

Navigate back to the Search page, then locate and select the entity using the search tool below.

3

Click **File Amendment** or **File Statement of Information** or **Request Certificate** in the right-hand detail drawer.

4

Complete your request online.

Need help?

For more information, see the [Help Guide](#) or [Video Library](#). To contact the California Secretary of State's office, view the [Contact Information](#). For information on **access requests**, see the [Account Access Guide](#).

What's Included in Search

Corporations, Limited Liability Companies (LLCs), Limited Partnerships (LPs), and Nonprofit Corporations.

PDF copies of recent **Statements of Information** and other filings.

Distinguishable entity names to be checked for name availability.

Search does not cover Limited Liability Partnerships (LLPs) or General Partnerships (GPs). To obtain

HAVASU WATER CO (404584)

X

File Amendment

Request Certificate

Initial Filing Date

10/28/1960

Status

Active

Standing - SOS

Good

Standing - FTB

Good

Standing - Agent

Good

Standing - VCFCF

Good

Formed In

CALIFORNIA

Entity Type

Stock Corporation - CA - General

Principal Address

148896 HAVASU LAKE ROAD
HAVASU LAKE, CA 92363

Mailing Address

P.O. BOX 1690
HAVASU LAKE, CA 92363

Statement of Info Due Date

10/31/2026

Agent

Individual
JENNIFER HODGES
2312 PARK AVE, #421
TUSTIN, CA 92782

View History

Request Access

https://bizfileonline.sos.ca.gov/search/business

1/3



- Search by **entity name** or **entity number** (remove "C" from number).
- Performs a "keyword" search.
- Results limited to the **500 closest matches**.
- Advanced Search
 - Use for **Publicly Traded Disclosure** Search.
 - **Refine search** by specific entity type or grouping (e.g., Nonprofit Mutual Benefit Corporation or All Corporations), entity status, and/or Initial Filing Date range.
 - **Begins with** filter for refined queries.
 - View **more than the 500 default** results.

- **Disclaimer:** All information provided "as is." The data provided is not a complete or certified record. The California Secretary of State's office is not responsible for any loss, consequence, or damage resulting directly or indirectly from reliance on the accuracy, reliability, or timeliness of the information provided.
- **Need help?** For more information, select [Forms](#) on the menu, view the [Help Guide](#) or [Video Library](#). To contact the California Secretary of State's office, view the [Contact Information](#).
- **User Access Required:** To file a Statement of Information online, your online business entity account **must have user access** established. **Accounts without user access established will not see the option to file a Statement of Information**

File
AmendmentRequest
Certificate

Initial Filing Date 10/28/1960

Status Active

Standing - SOS : Good

Standing - FTB	Good
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Standing - Agent	Good
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Standing - VCFCF : Good

Formed In CALIFORNIA

Entity Type Stock Corporation - CA - General

Principal Address 148896 HAVASU LAKE ROAD
HAVASU LAKE, CA 92363

Mailing Address P.O. BOX 1690
HAVASU LAKE, CA92363

Statement of Info Due Date	10/31/2026
-------------------------------	------------

Agent Individual
JENNIFER HODGES
2312 PARK AVE, #421
TUSTIN, CA 92782

[View History](#)

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havasu water

Advanced

Results: 3

Entity Information	Initial Filing Date	Status
HAVASU WATER CO (404584)	10/28/1960	Active
HAVASU WATERCRAFT, INC. (3628427)	12/20/2013	Su - F
HAVASU WATERS, LLC (200930810254)	11/03/2009	Te

HAVASU WATER CO (404584)

File Amendment

Request Certificate

Initial Filing Date

Status

Standing - SOS

Standing - FTB

Standing - Agent

Standing - VCFCF

Formed In

Entity Type

Principal Address

Mailing Address

Statement of Info Due Date

Agent

10/28/1960

Active

Good

Good

Good

Good

CALIFORNIA

Stock Corporation - CA - General

148896 HAVASU LAKE ROAD
HAVASU LAKE, CA 92363

P.O. BOX 1690
HAVASU LAKE,CA92363

10/31/2026

Individual
JENNIFER HODGES
2312 PARK AVE, #421
TUSTIN, CA 92782

View History

Request Access

EXHIBIT H

202024400003



**Secretary of State
Certificate of Limited Partnership
(LP)**

LP-1

CJW

FILED

Secretary of State
State of California

AUG 27 2020 MVA

IMPORTANT — Read Instructions before completing this form.

Filing Fee - \$70.00

Copy Fees - First page \$1.00, each attachment page \$0.50;
Certification Fee - \$5.00

Note: LPs may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to <https://www.ftb.ca.gov>.

Above Space For Office Use Only

1. Limited Partnership Name (See Instructions – Must contain an LP ending such as LP or L.P. "LP" will be added, if not included.)

JH FAMILY LIMITED PARTNERSHIP

2. Business Addresses

a. Initial Street Address of LP's Designated Office in California - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
77820 VINEYARD CANYON ROAD	SAN MIGUEL	CA	93451
b. Initial Mailing Address of LP, if different than item 2a	City (no abbreviations)	State	Zip Code
PO BOX 177	SAN MIGUEL	CA	93451

3. Service of Process (Must provide either Individual OR Corporation.)

INDIVIDUAL – Complete items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation)	Middle Name	Last Name	Suffix
JULIE	B.	MAINS	
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
2753 CAMINO CAPISTRANO, SUITE B-1	SAN CLEMENTE	CA	92672

CORPORATION – Complete item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) – Do not complete item 3a or 3b

4. General Partners (List the name and address of each general partner. Attach additional pages, if necessary.)

a. General Partner's Name			
JENNIFER HODGES			
General Partner's Address	City (no abbreviations)	State	Zip Code
PO BOX 177	SAN MIGUEL	CA	93451
b. General Partner's Name			
General Partner's Address	City (no abbreviations)	State	Zip Code

The information contained herein, including in any attachments, is true and correct.

General Partner Signature

JENNIFER HODGES

Type or Print Name

General Partner Signature

Type or Print Name

LP-1 (REV 08/2019)

2019 California Secretary of State
bizfile.sos.ca.gov

EXHIBIT I

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	EDCV 20-471-GW-KKx	Date	May 7, 2026
Title	<i>Chemehuevi Indian Tribe v. Havasu Water Company, et al.</i>		

Present: The Honorable	GEORGE H. WU, UNITED STATES DISTRICT JUDGE
------------------------	--

Javier Gonzalez

ECRO / Court Smart

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

Kostan R. Lathouris

Patrick D. Webb

**PROCEEDINGS: TELEPHONIC HEARING ON DEFENDANT'S MOTION TO STAY
ENFORCEMENT OF THE AMENDED JANUARY 8, 2026
EJECTMENT ORDER PENDING DECISION BY THE COURT OF
APPEALS [307]**

The Court's Tentative Ruling on Defendant's Motion [307] was issued on May 5, 2026 [320]. Oral argument is held. The Tentative Ruling is adopted as the Court's Final Ruling. The Court DENIES the Motion.

Initials of Preparer JG

: 07

EXHIBIT J

LESTER J. MARSTON
Email: ljmarston@rmlawoffice.net
Attorney for Plaintiff, Chemehuevi Indian Tribe
California State Bar No. 081030
RAPPORT AND MARSTON
405 West Perkins Street
Ukiah, California 95482
Telephone: 707-462-6846
Facsimile: 707-462-4235

KOSTAN R. LATHOURIS
Email: law@lathouris.com
Attorney for Plaintiff, Chemehuevi Indian Tribe
California State Bar No. 315329
LATHOURIS LAW PLLC
1447 Evening Song Ave
Henderson, NV 89012
Telephone: 702-473-0581

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

CHEMEHUEVI INDIAN TRIBE, a
federally recognized Indian tribe,

Plaintiff,

v.

HAVASU WATER COMPANY, et al.

Defendants.

Case No. EDCV 20-471-GW-KKx

**ORDER GRANTING MOTION
FOR LIMITED, TEMPORARY,
HUMANITARIAN TRANSITION
MODIFICATION OF AMENDED
ORDER OF EJECTMENT;
MEMORANDUM OF POINTS
AND AUTHORITIES**

Date: June 15, 2026
Time: 8:30 a.m.
Judge: Hon. George H. Wu
Trial Date: TBD
Action Filed: March 9, 2020

1 Plaintiff Chemehuevi Indian Tribe's Motion for Limited, Temporary,
2 Humanitarian Transition Modification of Amended Order of Ejectment Pending
3 Appeal came on for hearing before this Court. Having considered the motion, the
4 opposition, if any, the reply, if any, the supporting declarations and exhibits, the
5 record in this action, and argument of counsel, and good cause appearing, the Court
6 ORDERS as follows:

7 **(1) Limited Temporary Modification.** The enforcement schedule set forth in
8 the Court's Amended Order of Ejectment is temporarily modified solely to
9 permit a short humanitarian transition period through and including 11:59
10 p.m. on July 30, 2026.

11 **(2) No Change to Merits Rulings.** Except as expressly modified herein, the
12 Court's prior orders and merits rulings, including its determinations
13 regarding expiration of the easement and Defendants' unauthorized
14 occupation and use of Tribal trust land, remain in full force and effect and
15 are not disturbed in any respect.

16 **(3) No Stay on the Merits; No New Land Right.** This Order is not, and shall
17 not be construed as, any concession by Plaintiff that Defendants are entitled
18 to a stay on the merits. Nothing in this Order shall be construed to create,
19 recognize, extend, renew, revive, grant, or authorize any easement, lease,
20 right-of-way, license, permit, possessory interest, or other land interest in
21 favor of Defendants or any other person or entity.

22 **(4) No Waiver.** Nothing in this Order shall be construed as a waiver of any Tribal
23 rights, claims, remedies, damages theories, enforcement rights, defenses, or
24 sovereign immunity.

25 **(5) No Determination of Compensation or Damages.** Nothing in this Order
26 resolves, compromises, or determines any issue relating to compensation,
27
28

rent, damages, or any other monetary remedy concerning Defendants' use or occupation of Tribal land. All such issues remain reserved.

(6) **Protective Conditions.** During the temporary transition period, Defendants shall: **(A)** continue to preserve and maintain existing facilities and infrastructure in a safe condition; **(B)** make no unauthorized modifications, changes in use, expansions, or new construction on Tribal land; **(C)** engage in no sabotage, impairment, contamination, destruction, concealment, or removal of any infrastructure, equipment, records, or other property, except as authorized by further order of this Court or by written agreement of Plaintiff; **(D)** provide Plaintiff and its representatives reasonable access, upon reasonable notice, for inspection, documentation, and verification of the condition of infrastructure and related sites; **(E)** cooperate in good faith with the California Public Utilities Commission, the United States Environmental Protection Agency, the County of San Bernardino, and other responsible governmental entities working toward a lawful transition solution; **(F)** promptly notify Plaintiff in writing of any material service interruption, safety issue, spill, failure, damage, emergency event, or regulatory action affecting the facilities or service; and **(G)** preserve all documents, communications, data, and records relevant to operations, maintenance, safety, regulatory compliance, and transition efforts during the temporary transition period.

(7) **No Automatic Extension.** This temporary modification shall expire automatically at 11:59 p.m. on July 30, 2026, absent further order of this Court. Nothing in this Order shall be construed as authorizing any open-ended extension, further extension, or permanent arrangement.

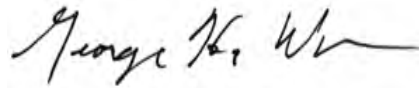
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1 **(8) Relief Upon Material Breach.** If Plaintiff contends that Defendants have
2 materially breached this Order, Plaintiff may seek appropriate relief on
3 shortened time or ex parte, as appropriate.

4 IT IS SO ORDERED.

5
6 DATED: June 15, 2026



HON. GEORGE H. WU,
United States District Judge

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