

Information for Customers of Havasu Water Company Regarding Change in Operational Control of Your Water Utility

On September 4, 2026, the San Bernardino Superior Court approved Scott M. Sackett to take over the control and management of Havasu Water Company from Jennifer Hodges.

Why did the court approve a change in management control?

On June 11, 2026, the California Public Utilities Commission (CPUC) voted to request the court to appoint a receiver, which is a third party fiduciary, to take control of Havasu. (Decision 26-06-010).

The Commission's decision ended a formal investigation into Havasu's operations that was prompted by numerous customer complaints, notices of water quality violations from the EPA and CPUC, and violations of other provisions of the Public Utilities Code and CPUC rules including failure to maintain fire hydrants. The CPUC found that Havasu, operated by Jennifer Hodges as its president and sole owner, is unable or unwilling to adequately serve its customers.

After a comprehensive search that included outreach to public and private water companies, non-profit associations, and professionals with experience acting as a receiver or administrator over failing companies, the CPUC selected Scott M. Sackett of Fiduciary Management Technologies.

On Friday, September 4, the San Bernadino Superior Court approved the CPUC's request for the immediate appointment of Mr. Sackett as receiver on a temporary basis, subject to a further hearing and confirmation by the court. That hearing is scheduled for September 21, 2026.

What happens to your water service?

The receiver's job is to keep water flowing. The receiver takes over operating the system on day one and has the same duty as any water utility to provide safe, reliable service.

What happens to your bill?

You should continue to pay your bill. Customers must continue to pay for their water service. The receiver bills and collects revenue to fund system operations and repairs, under the court's supervision. Rate changes go through the CPUC's normal rate-setting process. The receiver cannot set rates on its own.

What is a receiver?

A receiver is a person a court appoints to run a business or property in place of its owner. For a water system, the receiver takes over day-to-day operations: running the treatment

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and distribution system, billing customers, hiring staff, and making repairs. The receiver reports to the court, not to the water company's owner.

Why does a court appoint a receiver for a water system?

State law lets the CPUC ask a court to appoint a receiver when a water utility cannot or will not run its system safely. Here, the San Bernardino Superior Court approved the CPUC's request and temporarily appointed Scott M. Sackett as receiver on September 4, 2026. The Court will decide whether to confirm Mr. Sackett's appointment, allowing him to continue serving as receiver over Havasu's objection, at a second hearing scheduled for late September.

What does a receiver do?

- Takes possession and control of the water system's physical assets – pipes, pumps, storage tanks, treatment equipment, and hydrants.
- Operates the system: water treatment, distribution, and customer service.
- Collects revenue and pays the system's operating expenses, including repairs.
- Reports to the court on the system's condition and finances.
- Carries out any specific directions in the court's order.

What a receiver does not do.

The receiver does not own the water system. The water system owner continues to own the system, although the receiver may ultimately recommend a change in ownership or management.

The receiver is not a long-term buyer. A receivership is a temporary court remedy, not a decision about the system's long-term ownership or management.

What if I have a complaint or service request?

During a receivership, submit service issues, billing questions, and complaints to the receiver's office. Mr. Sackett can be reached at

Office address: 4030 South Land Park Drive, Suite C, Sacramento CA 95822

Phone number: (916) 930-9900

Email: scott.sackett@efmt.com

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Customers can also still contact the CPUC. Informal complaints go to the CPUC's Consumer Affairs Branch, available at 1-800-649-7570. Please see <https://www.cpuc.ca.gov/consumer-support/file-a-complaint/utility-complaint/how-the-consumer-affairs-branch-can-help> for more information.

The CPUC continues to regulate the utility during the receivership.

How long does a receivership last?

There is no fixed time. The court sets the schedule and conditions it thinks are needed to remediate the system and can modify or end the receivership by further order. A receivership typically continues until the court is satisfied that the underlying problems are resolved or that some other outcome (such as a change in ownership or management) has been arranged and approved.

Where to go for more information:

- **Court filings in this matter:** available through the San Bernardino County Superior Court civil division.
- **Regulatory proceeding filings:** available on the CPUC's website.
- **Drinking water standards and enforcement:** U.S. EPA Region 9's website.

[This sheet explains receivership in general terms. It is not a substitute for the specific orders and notices issued in this proceeding.]