



FILED

02/20/26

11:44 AM

C2312002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Louie Osuna and Vicki Osuna,

Complainants,

vs.

Havasu Water Company, Inc.
(U352W),

Defendant.

(ECP)
Case 23-12-002

**ADMINISTRATIVE LAW JUDGE’S CEASE AND DESIST NOTICE AND
NOTICE OF STATUS CONFERENCE OF FRIDAY MARCH 20, 2026 AT 10:00
AM REGARDING POTENTIAL ORDER TO SHOW CAUSE FOR SANCTIONS
AGAINST DEFENDANT.**

1. Background.

On December 1, 2023, Louie and Vicky Osuna (Complainants) filed complaint Case (C.) 23-12-002 (Complaint) with the Commission against Havasu alleging billing errors and failure to provide safe, clean, and reliable water service. The Complaint alleged that Complainants experienced a loss of water service for approximately ten days in March 2022, followed by inconsistent water quality and supply during 2023. Complainants further alleged that they were subject to “Do Not Drink” or “Boil Water” notices for roughly half of the year following the outage and requested a 50 percent reduction or reimbursement of bills paid between March 2022 and March 2023. Complainants also alleged they continued to be billed for water service after July 2, 2023, when Havasu removed

their meter due to alleged vandalism.¹ On December 19, 2023, the Commission issued instructions requiring Havasu to file an Answer by January 8, 2024, and set the matter for hearing on February 5, 2024 under the Expedited Complaint Procedure.

On February 1, 2024, the assigned administrative law judge (ALJ) issued the Administrative Law Judge's Ruling Granting Havasu Water Company's Request For an Extension of Time to File Answer and Addressing Other Matters in the Proceeding. Among other things, the ruling granted Havasu's request for an extension to file its Answer through February 12, 2024, and reset the scheduled hearing for February 15, 2024. On February 22, 2024, Havasu late-filed its Answer to the Complaint.

On February 23, 2024, at the request of Havasu, the ALJ reset the evidentiary hearing from February 15, 2024, to March 14, 2024. At the March 14, 2024 evidentiary hearing, Complainants Louie and Vickie Osuna appeared on their own behalf. Jennifer Hodges appeared on behalf of Havasu in her capacity as Chief Executive Officer. The parties informed the ALJ that Havasu had filed an action in San Bernardino Superior Court alleging that Complainants tampered with or broke the water meter on their property. The Superior Court held a hearing on March 15, 2024, and issued a decision on April 3, 2024, ordering Complainants to pay a \$225 fee and ordering Havasu to cease billing Complainants for water services. The Superior Court reserved determination of Havasu's rights to past-due water charges for adjudication in the administrative proceeding.

¹ D.25-03-010 at 1-4.

On October 29, 2024, the parties appeared for a status conference and provided additional billing information. By that time, the assigned ALJ had received the Superior Court's April 3rd decision in the related civil matter. Consistent with that decision, the ALJ ordered Havasu to cease billing. The ALJ also ordered Complainants to provide proof of payment of the \$225 fee required by the Superior Court; Complainants' receipt was submitted as an exhibit.

On March 13, 2025, the Commission issued D.25-03-010, granting in part and denying in part the relief sought in the Osuna's complaint. The Decision ordered Complainants to pay Havasu \$1,681, \$1,674.81 of which to be disbursed from the funds held in trust in the Public Utilities Commission impound account opened for this matter.² Havasu was ordered to eliminate all fees, penalties, and late fees against Complainants, and all remaining billing, fees and penalties were expunged and vacated.³ Havasu subsequently filed the Application for Rehearing (App. Reh.) at issue here on March 25, 2025.

On January 15, 2026, the Commission issued Decision D.26-01-024 - Order Modifying Decision 25-03-010 And Denying Rehearing, As Modified. Complaint, Case 23-12-002, and again closed the proceeding.⁴

2. Past Issue: Defendant's Failure to Install Water Meter Resulting in Status Conference Threatening Sanctions Against Defendant.

In between the issuance of the original March 13, 2025 Decision and the January 15, 2026 Order Modifying the Decision Complainants again notified the original assigned Administrative Law Judge that Havasu had refused to install a

² D.25-03-010 at 4.

³ *Id.*

⁴ Decision D.26-01-024 - Order Modifying Decision 25-03-010 And Denying Rehearing, As Modified, Background.

functioning water meter and also demanded additional monies in the form of an alleged bill for a \$250 security deposit. The assigned Administrative Law Judge held a status conference on WebEx on May 13, 2025 and issued the Ruling on May 19, 2025 ordering Havasu to replace the Osuna's water meter and to not bill the family for more than they would for a 5/8th inch meter, or face sanctions.

The Assigned Administrative Law Judge also reminded the Parties in Ordering Paragraph #1 that the, "Defendant may not bill Complainants more than they would for usage of a 5/8th inch water meter per the currently approved California Public Utilities Commission (CPUC) tariff presently in place" and that failure comply with the directive in Ordering Paragraph #1 will result in the issuance of an Order to Show Cause for sanctions pursuant to California Public Utilities Code, Section 2107." Jennifer Hodges, in her personal capacity, was also chastised for her behavior during the proceeding and informed of the Commission's ability to bring sanctions against her in her personal capacity.⁵

3. Present Issue: Defendant's Refusal to Abide by Commission Orders and Insistence on Collecting a \$250 Deposit for the Water Meter and Penalties.

Since May 13, 2025, Defendant has time and again tried to collect from the Osuna's for the alleged and unfounded lack of a \$250 security deposit plus penalties. The assigned Administrative Law Judge has reminded the Parties time and again that Defendant is not entitled to this money. They may contest this issue in another proceeding. Defendant issued a water cut-off notice to Complainants on February 11, 2026 which Complainants forwarded to the Commission on February 19, 2026. Also on February 11, 2026, Defendant

⁵ Administrative Law Judge's Notice of Tuesday May 13, 2025 Status Conference and Accompanying Orders issued May 19, 2025 at 1-2.

asserted that the basis of their demand is per Tariff Book Rules 6, 7, and 11 where a prospective customer applying or reapplying for water services after, “service discontinued for nonpayment of bills” will be required, among other payments, to provide a security deposit with the water company.

Defendant is reminded that is not the case here. The Osunas paid their bills to Havasu and then to the CPUC through the impound accounts, and similarly to the Superior Courts for submission to Defendant. Defendant removed the Osuna’s water meter of their own volition, and in defiance of the law. Defendant has repeatedly been reminded by the assigned Administrative Law Judge that they did not have the right to do so as the reinstalment of the water meter was to remedy for a wrong that they, Havasu, made in the first place. Defendant cannot remedy a wrong they made by literally penalizing the aggrieved party they were ordered to provide reparations for with a bill plus penalties to cover the costs of their own intentional violations.

Defendant’s email response of January 13, 2026 is similarly without merit, arguing that, “The Osuna’s prior security deposit was returned to them in August of 2006, therefore, they are subject to termination for not having a security deposit on file, per tariff rules No 6 & 7.” As addressed above, Tariff Book Rules 6 and 7 address installation of water meter for applicants whose water was justifiably cut off for non-payment of bills, not willfully by the Defendant. Moreover, the statute of limitations for the collection of a debt in California is at most four (4) years.⁶ Defendant has clearly availed themselves of their access to Superior Court against the Osuna family for perceived debt

⁶ Cal. Code Civ. Proc. § 337, et seq. §§ Sections 337-339 defining the statute of limitations for various types of debts, damages to property, and breach of contract to two (2) to three (3) years.

collections and damages. They are legally and statutorily time-barred from doing so again, ten (10) years after the fact.

In short, Defendant has been reminded time and again of the Decision by the Commission ordering them to replace the water meter and vacate all additional costs and penalties.⁷ Defendant may not collect a deposit, nor may they collect penalties for Complainant's failure to pay a deposit on the water meter. Finally, they may not shut off Complainants water for failure to pay

⁷ See D.25-03-010 Dec Granting Denying In Part Complaint for Relief, Ordering Paragraphs at 27-28.

IT IS ORDERED that:

1. Defendant is ordered to cease and desist water shut off to the Complainants, the Osuna family and the Osuna homestead, and to resume water service to Complainants if the Complainants, Louie and Vicky Osuna wish to resume water service from Havasu Water Company, Inc. upon written request.

[...]

5. Defendant Havasu Water Company, Inc. is ordered to eliminate all fees, penalties, and late fees against Complainants. All such remaining billing, fees, penalties, late charges, and like not expressly addressed in this Decision are vacated and expunged.

6. All other previous bills brought by Havasu Water Company, Inc. against the Complainants the Osuna family are expunged or vacated.

[...]

8. Havasu Water Company, Inc. may no longer bill the Osuna family for water consumption, late fees and penalties allegedly incurred after July 2, 2023, and including after April 3, 2024 through May 2, 2024 in recognition of the Superior Court's order.

9. Any violation of this Decision in the continued resumption of billing for past due bills adjudicated to have been unearned may result in an Order to Show Cause for Sanctions and a fine of \$500 for each offense pursuant to the California Code, Public Utilities Section 2107.

penalties on the alleged security deposit. While the language of the ordering paragraphs do not specify a security deposit they do specify all other fees, penalties, and late fees, late charges, and "the like," to cover such willful misconstruction of the law by the Defendant.

4. Status Conference Set for Friday March 20, 2026 at 10:00 AM to Determine if Additional Sanctions Are Warranted Against Defendant.

Defendant is ordered to immediately cease and desist water shut off against the Osuna family. They are ordered to immediately resume water services if they have commenced water shut off. Defendant has one month, until the status conference of Friday, March 20, 2026 to remove all penalties, requests for deposits, late fees, and associated costs on the Osuna's water bill in addition to the resumption of water services if disconnection processes have begun or face sanctions by the Public Utilities Commission.

Status Conference and Cease and Desist

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5. Defendant is Ordered to Immediately Cease and Desist all Water Shut Off Against Complainants At This Time And to Resume Water Services, If Applicable.

This Ruling Orders Defendant, Havasu Water Company Inc. (U352W), to immediately cease and desist all collections against the Complainants, Louie and Vicky Osuna and their residents for alleged failure to provide another security deposit and penalties for the installation of a water meter as previously ordered by the CPUC. Defendant is ordered to immediately reinstate any water services to the Osuna family if they have already begun the disconnection process.

In addition, this matter is set for Hearing on Friday, March 20, 2026 AM via WebEx to determine if sanctions are warranted against Defendant for their continued violation of CPUC Decision D.25-03-010 issued on March 13, 2025.

Defendant has until this date and time to remove all billing and fees associated with the alleged security deposit.

On that date, Complainants Louie and Vicky Osuna may appear remotely and represented themselves. Jennifer Hodges, Chief Executive Officer and Chief Operating Officer of Havasu Water, may appear remotely and represent Defendant Havasu Water in her capacity as CEO and COO. Defendant is warned that failure to comply with the directives would result in an Order to Show Cause for Sanctions pursuant to California Public Utilities Code Section 2107. Defendant Jennifer Hodges is warned she could be liable in her personal capacity for additional sanctions through California Public Utilities Commission Rules of Practice and Procedure, Rule 1, Code of Ethics.⁸

IT IS RULED that:

1. This matter is set for hearing on Friday, March 20, 2026 at 10:00 AM by WebEx. The Parties may appear remotely.
2. Defendant is Ordered to immediately Cease and Desist water shut off on the Osuna family homestead for alleged failure to provide a security deposit and penalties and to resume water services if the shut off process has begun.
3. Defendant is Ordered to remove penalties, late fees, requests for deposits, late fees, and associated costs on the Osuna's water bill for the reinstallation of a meter or face sanctions, to be determined if appropriate for further hearing on March 20, 2026.

⁸ Cal. Code Regs. Tit. 20, § 1.1 - (Rule 1.1) Ethics. *See also* Water Division Cease and Desist Notice of May 9, 2025, attached.

4. This proceeding is reopened.

IT IS SO RULED.

Dated February 20, 2026 at Los Angeles, California.

/s/ LENA AFARY

Lena Afary,
Administrative Law Judge