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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CRUZ

**PEOPLE OF THE STATE OF
CALIFORNIA ex rel. REGIONAL WATER
QUALITY CONTROL BOARD,
CENTRAL COAST REGION**

Plaintiff,

v.

**BIG BASIN WATER COMPANY, INC.,
THOMAS JAMES MOORE, SHIRLEY
JEAN MOORE, and DOES 1-50, inclusive,**

Defendants

and

**CENTRAL STATES WATER
RESOURCES, INC. AND CSWR-
CALIFORNIA UTILITY OPERATING
COMPANY, LLC, and DOES 51-100,
inclusive,**

Real Parties in Interest.

Case No. 23CV02508

**[PROPOSED] ORDER OF
APPOINTMENT OF RECEIVER**

1 The Court, having considered the complaint filed by Plaintiff, the People of the State of
2 California *ex rel.* California Regional Water Quality Control Board, Central Coast Region
3 (Central Coast Water Board) and the Stipulation for Entry of Final Consent Judgment and
4 Permanent Injunction and for Entry of Order for Appointment of Receiver (“Stipulation”), and in
5 light of the Court’s execution of the Final Judgment in this matter, and good cause appearing
6 therefore, makes the following findings and Order:

7 1. Defendants Big Basin Water Company, Inc., a California corporation, and its sole
8 shareholders Thomas James Moore and Shirley Jean Moore (the Moores or the “Owners”) own
9 two utilities with a principal office and place of business in Santa Cruz County: (1) a wastewater
10 treatment plant managed by the Owners that includes the collection, treatment, and disposal
11 systems for processing wastewater from a 28-home residential community and nearby fire station,
12 located approximately 2.5 miles north of Boulder Creek on Big Basin Way (Highway 236) in
13 Santa Cruz County (the “WWTP”) and (2) the public water system known as Big Basin Water
14 Company (the “System”).

15 2. On October 6, 2023, in the civil action entitled *California State Water Resources*
16 *Control Board, Division of Drinking Water v. Big Basin Water Company, Inc., Thomas James*
17 *Moore and Shirley Moore*, Santa Cruz County Superior Court Action No. 23CV01615, this Court
18 entered its Order of Appointment of Receiver for the Big Basin Water Company (“System
19 Receivership Order”). On October 6, 2023, the Court entered its Order Granting State Water
20 Resources Control Board’s Request for Appointment of Receiver for the Big Basin Water
21 Company The entirety of Big Basin Water Company, Inc. not already subject to the System
22 Receivership Order, including all aspects and assets of Big Basin Water Company, Inc. that are
23 under the control of the Moores, and therefore excluding those assets, property and other rights
24 and obligations that are subject to the System Receivership Order is hereinafter identified as the
25 “Corporation.”

26 3. Code of Civil Procedure section 564, subdivision (b)(3) authorizes this Court to
27 appoint a receiver to assume possession and control “after judgment, to carry the judgment into
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1 effect,” section 564 subdivision (b)(4) authorizes this Court to appoint a receiver to assume
2 control ”after judgment, to dispose of the property according to the judgment,” and section 564,
3 subdivision (b)(6) authorizes a receiver “[w]here a corporation is insolvent, or in imminent
4 danger of insolvency, or has forfeited its corporate rights.”

5 4. The Central Coast Water Board and the Owners, in their personal capacity and on
6 behalf of the Corporation, have filed a Stipulation for Entry of Final Consent Judgment and
7 Permanent Injunction and for Entry of Receivership (“Stipulation”). That Stipulation seeks the
8 entry of a Final Consent Judgment and Permanent Injunction (“Final Judgment”) and for entry of
9 this Order for Appointment of Receiver (“Receivership Order”) for the entirety of the
10 Corporation. As the Final Judgment prohibits Thomas James Moore and Shirley Jean Moore from
11 maintaining any control or oversight over the Corporation, including the WWTP, and requires that
12 the WWTP be transferred to new owners, this stipulated appointment of a receiver is necessary to
13 carry that Final Judgment into effect and is necessary to the transfer of the WWTP pursuant to the
14 Final Judgment.

15 5. The Court finds that an order appointing a receiver is required, as the appointment
16 of a receiver for the Corporation is required to carry the Final Judgment into effect. The Court
17 further finds that the Corporation is in danger of failing to function and that a receiver is
18 necessary in order to properly manage the WWTP, avoid the imminent danger of insolvency, and
19 avoid a public health crisis. The receiver shall take possession, custody, and control of the
20 Corporation for the purpose of carrying out the Stipulation and Final Judgment. The System
21 Receivership Order is not amended, modified, or altered in any way as a result of the entry of this
22 Order. The System Receivership Order remains in effect and is independent of this Receivership
23 Order. It is the intent of this Receivership Order to complement the System Receivership Order so
24 that the entirety of Big Basin Water Company, Inc. is now subject to a receivership order of this
25 Court.

26 6. The Court further finds that Silver & Wright LLP possesses the necessary capacity
27 and experience to serve as a receiver of the Corporation, and is willing and able to perform the
28 tasks of receiver.

1
2 **APPOINTMENT OF COURT RECEIVER**

3 **THEREFORE, IT IS HEREBY ORDERED** that a receiver be appointed over the
4 Corporation, with full powers granted under Code of Civil Procedure section 564, *et seq.*, subject
5 to further requirements of this Order and any further orders of this Court. The court receiver shall:
6 (1) execute and file a receiver’s oath with this Court; and (2) disclose to all parties any financial
7 relationship between the court receiver and any person or entity hired to assist in the management
8 of the receivership property.

9 **A. Assumption of Jurisdiction and Appointment of Receiver**

10 7. The Court hereby assumes jurisdiction and custody over the Corporation. Until the
11 receiver is discharged and the receivership terminated, the Court retains jurisdiction over this
12 judicial proceeding for all purposes, including but not limited to: amending, supplementing, or
13 deleting any provision of this order; enforcing compliance with or punishing violations of this
14 order; and ordering any additional relief that may be reasonably necessary or appropriate.

15 8. Until further order of this Court, Silver & Wright LLP is hereby appointed to serve
16 without bond as receiver for the Corporation (the Receiver).

17 9. No individual, person, or entity shall take any of the following actions without
18 leave of the Court: sell any interest of the Corporation; encumber any asset of the Corporation,
19 institute any judicial proceeding against the Corporation; institute any judicial proceeding against
20 the Receiver relating to the Corporation or the Receiver's actions with respect to the Corporation;
21 create or enforce any lien on the Corporation; secure any indebtedness with the Corporation's
22 assets or property as collateral; institute any judicial proceeding against Big Basin Water
23 Company, Inc.; or cause to be issued, served, or levied upon Big Basin Water Company, Inc. any
24 judicial summons, subpoena, attachment, or writ of execution.

25 10. The Receiver or the Central Coast Water Board may at any time apply to this
26 Court for further instructions and orders for additional powers necessary to enable the Receiver to
27 properly perform the Receiver's duties, or to replace the Receiver if the purposes of the this
28 Receivership Order are not being served. Notice of any such application shall be provided to the

1 Receiver, the Central Coast Water Board, and the Owners. The Receiver is appointed for purposes
2 of stabilizing the WWTP, returning it to compliance with California’s Porter-Cologne Water
3 Quality Control Act, including waste discharge requirements, notices of violation, directive(s),
4 cleanup and abatement order, and technical reporting requirements issued pursuant thereof (the
5 “Act”) and implementing regulations, and transitioning the WWTP to the control of an individual
6 or entity that will operate the WWTP in compliance with the Act after the receiver is discharged.

7 11. The Receiver shall not be held personally liable for any good faith, reasonable
8 effort to assume possession of and operate the Corporation in compliance with this Order.

9 12. The Receiver is authorized, in the exercise of his discretion, and subject to the
10 control of this Court and the laws regarding receivership, to do all acts necessary for the proper
11 and lawful conduct of the receivership. Specifically, in addition to the full powers granted to
12 court receivers under Code of Civil Procedure section 564, *et seq.*, the Receiver has the following
13 authority and duties and is subject to the terms below that shall govern the receivership.

14 **B. Power and Authority of the Receiver**

15 13. The Receiver immediately shall assume full and complete possession and control
16 of the Corporation in its entirety, including all property, real or personal, tangible or intangible,
17 that is in any manner used in or for the Corporation's operations, or the treatment of wastewater,
18 and all facilities, infrastructure, components, books, records, accounts, and other property of the
19 Corporation. The Receiver’s powers extend to all the Corporation’s funds, properties, accounts,
20 insurance policies, and assets of whatever kind and wherever situated. The Owners, and all agents
21 of the Corporation, are ordered to inform the Receiver of all the assets of the Corporation—
22 including but not limited to real property, financial, and banking assets—and to cooperate in the
23 orderly transition of control of all Corporation assets and accounts to the Receiver. The
24 Corporation’s assets include but are not limited to all assets owned by Big Basin Water Company,
25 Inc. that are not subject to the System Receivership Order. The Corporation’s assets also include,
26 but are not limited to, Santa Cruz County Assessor’s Parcel Numbers 083-293-01, 083-251-77,
27 083-251-41, and 083-251-21 (Site). The receivership does not interfere or alter with the System
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1 Receivership Order. In the event there is property that is used in the operation and/or maintenance
2 of both the System and the WWTP, the Receiver shall identify that property and comply with
3 paragraph 39, below. Assets of the Corporation that are not used in the operation and/or
4 maintenance of either the System or the WWTP are available for any use that furthers the goals of
5 this Receivership and/or the System Receivership.

6 14. The Receiver shall have all powers, authorities, rights, and privileges heretofore
7 possessed by the Owners in relation to the Corporation under applicable state and federal law, and
8 by the governing charters, by-laws, articles, and/or governing agreements, in addition to all
9 powers and authority of a receiver at equity, and all powers conferred upon a receiver by the
10 provisions of Code of Civil Procedure section 564, *et seq.*

11 15. The Receiver shall manage, maintain, preserve, care for, operate, and control the
12 Corporation. The Receiver may expend the Corporation's funds and revenues for operation and
13 maintenance of the WWTP and repairs and improvements to the WWTP and may accumulate a
14 reasonable reserve on behalf of the Corporation. The Receiver is authorized and directed to take,
15 hold, and maximize for the Corporation's use, all property and assets to which the Corporation
16 has possession or may be entitled. The Receiver shall have the sole power to contract on behalf of
17 the Corporation and on matters involving or relating to the Corporation. The Receiver is
18 authorized to rent, lease or contract in connection with any Corporation asset, liability, or other
19 property on such terms as the Receiver deems proper.

20 16. The Receiver may retain current employees, consultants, contractors, and vendors
21 for the Corporation, and engage new employees, consultants, contractors, and vendors for the
22 Corporation. The Receiver may pay employees, consultants, contractors and vendors a reasonable
23 amount for goods and services rendered, which shall be paid from the Corporation's revenue or
24 reserves at direct cost, without any markups or fees. The Receiver shall provide notice to the
25 Central Coast Water Board of intent to employ a consultant and shall, upon request, provide the
26 Central Coast Water Board with a copy of the consultant's contract. The Receiver shall disclose to
27 the Central Coast Water Board any personal or financial relationship between the Receiver and
28 the consultant.

1 17. The Receiver may, on behalf of the Corporation, seek, apply for, accept, and
2 administer any grant or loan funding that may be made available by the State of California or
3 other public or private sources for upgrading the existing WWTP, making repairs, consolidating
4 the WWTP with another wastewater treatment facility or system, facilitating the transfer of the
5 WWTP, and for related evaluation and planning activities, as the Receiver deems necessary and
6 appropriate.

7 18. The Receiver shall collect, from the Corporation's customers, payment for any
8 fees, surcharges, or other amounts the Corporation is or may be authorized to charge to the
9 customers in connection with the provision of wastewater and related services.

10 19. The Receiver may take any action necessary with the California Public Utilities
11 Commission, including seeking rate adjustments to pay the Corporation's expenses and fund
12 improvements to the WWTP or for changes to the Corporation's tariff.

13 20. The Receiver may purchase property insurance, liability insurance, and any other
14 form of insurance that is proper for the Corporation and liability insurance for the Receiver in
15 connection with his activities related to the Corporation.

16 21. The Receiver may institute ancillary judicial or administrative proceedings in this
17 State as necessary to assume possession of, operate, manage, control, preserve, or protect the
18 Corporation, including to obtain possession or control of any Corporation asset or enforce the
19 Corporation's rights against any party.

20 22. The Receiver may reject any contract presently in force that relates to or involves
21 the Corporation, on the giving of notice to the contracting parties as provided in their contract.

22 23. The Receiver must seek Court approval to hire outside legal counsel, if necessary
23 to assist with the duties that fall within the Receiver's powers and authority as described in this
24 Order.

25 24. The Receiver may, upon notice to the Owners, the Central Coast Water Board, and
26 any other interested party who has requested notice, and subject to confirmation by this Court,
27 sell or transfer any of the Corporation's real or personal property in the Receiver's possession, or
28 the Corporation as a whole. Confirmation will generally be granted upon a showing that the sale

1 or transfer is fair to the respective parties and is in the best interest of the Corporation's
2 customers.

3 25. The Receiver is authorized to access and control all components of the
4 Corporation necessary to operate the Corporation, including the WWTP, including real property
5 used in connection with the Corporation or to collect, treat, and properly dispose wastewater in
6 accordance with all waste discharge requirements.

7 26. The Receiver is authorized to immediately borrow up to \$1,000,000 on behalf of
8 the receivership estate, secured as a super-priority lien against the Corporation and the assets of
9 the Corporation, for purposes of complying with this order, the Stipulation, and the Final
10 Judgment and any other orders of this Court, securing the Corporation, inspecting it, insuring it,
11 operating it, and developing a viable plan in accordance with this Court's orders.

12 27. As approved by the Court, the Receiver may borrow funds as necessary to pay for
13 the operation and rehabilitation of the WWTP and to pay the costs and debts of the receivership
14 estate. All funds borrowed by the Receiver on behalf of the receivership estate shall be entitled to
15 become super-priority liens against the Corporation and the assets of the receivership estate
16 superseding all other interests. The Receiver may issue and record Court Receiver's Certificates
17 of Indebtedness ("Certificates") to evidence and secure the debts of the receivership estate. The
18 debt evidenced by the Certificates shall be due and payable upon completion of the Receiver's
19 duties hereunder. If the Certificates cannot be immediately satisfied when they become due, the
20 Receiver may apply to this Court to sell the assets of the Corporation and the receivership estate
21 free and clear of all subordinate liens and encumbrances pursuant to Code of Civil Procedure
22 section 568.5.

23 28. Should any lawful order issued by the Receiver, under the authority granted herein,
24 be refused, the Receiver is authorized to enlist the assistance of any duly authorized law
25 enforcement officials or Sheriff deputies and, further, that such law enforcement officials and
26 Sheriff deputies are authorized to employ all reasonably necessary measures to secure cooperation
27 and compliance with any lawful order issued by the Receiver, including but not limited to, the use
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1 of forced entry into the WWTP or any real assets of the receivership estate should consent to enter
2 be refused.

3 29. The Receiver’s liability in any action against the Corporation, the receivership
4 estate, or the Receiver in its capacity as this Court’s receiver shall be limited to the assets of, and
5 shall be paid by, the receivership estate. The Receiver shall be defended and indemnified by the
6 receivership estate within the scope of the Receiver’s duty pursuant to this appointment.

7 **C. Duties of the Receiver**

8 30. The Receiver shall: incur on behalf of the Corporation the risks and obligations
9 ordinarily and reasonably undertaken by an owner, manager, or operator of a similar business,
10 including compliance with all permits and legal requirements; pay reasonable business expenses;
11 and pay any taxes, assessments, or fees due during the period of the receivership. The Receiver’s
12 liability is limited to the assets of this Receivership estate. Upon appointment, the Receiver is to
13 instruct the Central Coast Water Board where to deposit \$60,000 in funds that are to be provided
14 by the Central Coast Water Board for the benefit of the WWTP, including compensation to the
15 Receiver. Also upon appointment, the Receiver will coordinate with the Central Coast Water
16 Board to ensure prompt payments are made from Central Coast Water Board of Cleanup and
17 Abatement Account (“CAA”). Upon issuance of this Order, the Central Coast Water Board will
18 ensure that \$135,000 in pre-approved emergency Cleanup and Abatement Account (“CAA”)
19 funds are paid to the receiver for costs to operate the WWTP. The Central Coast Water Board
20 understands that the Court Receiver is expressly relying on these CAA pre-approved funds and
21 the \$60,000 in funds as a condition of its appointment. To the extent practicable, the Receiver will
22 solicit input from the County of Santa Cruz when making decisions regarding the expenditure of
23 CAA funds so as to minimize any barriers to the County of Santa Cruz taking over WWTP
24 ownership and operations at a later date.

25 31. The Receiver shall establish an account in the name and for the benefit of the
26 Corporation at a financial institution where deposits are guaranteed or insured under federal law
27 and shall deposit funds received in connection with the receivership into this account. The
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1 Receiver shall use its best efforts to place existing accounts used to conduct and maintain the
2 Corporation's business in the name of the Receiver.

3 32. The Receiver shall collect the accounts receivable and all other obligations owing
4 to the Corporation, shall bring an action or actions, if necessary in the best interests of the
5 receivership estate, to collect obligations owed to the Corporation, and shall settle and
6 compromise any of the accounts receivable, debts, or obligations whenever the Receiver shall
7 deem it advisable to do so, on such terms and conditions as appear to the Receiver to be
8 justifiable.

9 33. The Receiver shall provide monthly reports to the Central Coast Water Board with
10 a copy to the Owners. These reports shall conform to the requirements of Cal. Rules of Court,
11 Rule 3.118, and any amendments thereto.

12 34. The Receiver shall ensure the WWTP complies with the Act and expeditiously
13 take all steps necessary to bring the WWTP into compliance with the Act and the Central Coast
14 Water Board's waste discharge requirements (including the applicable monitoring and reporting
15 program), notices of violation, directive(s), cleanup and abatement order, and technical reporting
16 requirements.

17 35. Within 14 days of obtaining a verified list of the WWTP's customers, the Receiver
18 shall file a report with the Central Coast Water Board confirming that the Receiver has notified
19 the WWTP's customers of its contact information and any operational and emergency contact
20 changes.

21 36. Within 30 days of this Court's order, the Receiver shall file a report with the
22 Central Coast Water Board, with supporting documentation, confirming that the Receiver has: (a)
23 identified the individual or company that will be operating the WWTP on a day-to-day basis (the
24 "WWTP Operator"); (b) confirmed the WWTP Operator is properly certified and skilled at
25 performing the necessary tasks; and (c) entered an agreement with the WWTP Operator
26 specifying which activities the WWTP Operator will perform when on-site. The Receiver may
27 continue to employ the Corporation's current WWTP operator or retain a new operator, at the
28 Receiver's discretion.

1 37. Within 60 days of entering into the agreement with the WWTP Operator, the
2 Receiver shall file a report with the Central Coast Water Board, with supporting documentation,
3 confirming that the Receiver has: (a) developed emergency contingency plans for WWTP
4 failures; (b) developed contractor contact lists for performing emergency activities; (c) prepared
5 an operations plan and submitted it to the Central Coast Water Board for approval; and (d)
6 prepared a permit plan that includes a scope of work that will allow the WWTP to operate in
7 compliance with current and updated waste discharge requirements and submitted it to the Central
8 Coast Water Board for approval.

9 38. Within 120 days of entering into the agreement with the WWTP Operator, the
10 Receiver shall submit to the Central Coast Water Board for approval a plan for bringing the
11 WWTP into compliance with the Act and the Central Coast Water Board's waste discharge
12 requirements, notices of violation, directive(s), cleanup and abatement order, and technical
13 reporting requirements (the "Compliance Plan"). The Compliance Plan shall, at minimum, contain
14 the following elements with deadlines for completing each element: (a) plan to comply or remain
15 in compliance with the waste discharge requirements, orders, directives, and technical reporting
16 requirements issued by the Central Coast Water Board; (b) plan to conduct a WWTP collection
17 system status assessment report for addressing all infrastructure upstream of the WWTP relevant
18 for the transmission of wastewater to the WWTP (the "Collection System"), including those
19 factors that may cause significant inflow and infiltration during storm events; (c) timeline for plan
20 for addressing deficiencies in the Collection System and obtaining cost estimates for potential
21 alternatives; (d) timeline for selecting preferred alternative for obtaining waste discharge
22 requirements compliance and addressing Collection System issues; (e) complete plans and
23 specifications for preferred alternative; (f) secure funding for preferred alternative; (g) implement
24 preferred alternative; and (h) draft plan for Corporation's management, operation and
25 maintenance post-receivership. Upon the Central Coast Water Board's approval, the Receiver
26 shall lodge this Compliance Plan with the Court, with notice to the Owners. Following the
27 appointment of the Receiver, on or before March 1, June 1, September 1, and January 1 of each
28 calendar year, the Receiver shall submit a report to the Central Coast Water Board and Owners

1 that describes the steps taken in connection with the Compliance Plan, with supporting
2 documentation. If the Receiver determines that modifications to the Compliance Plan are
3 necessary, the Receiver shall submit proposed modifications to the Central Coast Water Board for
4 approval, and upon approval, lodge the modified Compliance Plan with the Court, with notice to
5 the Owners.

6 39. Within 90 days of entering into the agreement with the WWTP Operator, the
7 Receiver shall prepare an inventory of all property possessed by the Corporation under this order
8 and submit this inventory to the Court, with copies to the Central Coast Water Board and the
9 Owners. The Receiver is to include in the inventory an identification of property that is used in
10 common with the System and a plan for the ongoing use of that property, including if the property
11 is to continue to be used by the System and by the Corporation, on behalf of its WWTP
12 operations, or if the property is to be used solely by the System or solely by the Corporation on
13 behalf of its WWTP operations. Assets of the Corporation that are not used in the operation and/or
14 maintenance of either the System or the WWTP are available for any use that furthers the goals of
15 this Receivership and/or the System Receivership. The Receiver must promptly file a
16 supplemental inventory of any subsequently obtained property.

17 40. On or before January 1 of each calendar year, the Receiver shall submit a proposed
18 annual budget to the Court for approval, with notice to the Central Coast Water Board and the
19 Owners.

20 41. The Receiver's deadlines in this Order shall be interpreted as instructional
21 objectives, but the Receiver shall be granted extensions as is reasonably necessary based upon the
22 unknown circumstances of this case as they arise. Assuming control of the Corporation is a
23 massive undertaking with tremendous unknowns and unpredictable circumstances. The Receiver
24 is blind to the actual conditions of the WWTP, and it is unknown what level of cooperation the
25 Receiver will receive upon appointment and whether the Receiver will be afforded sufficient
26 resources to meet the demands of this appointment. The Receiver is not responsible for the
27 conditions of the WWTP it is accepting appointment to correct, and the Receiver shall be afforded
28 significant latitude as it endeavors to correct the conditions necessitating its appointment. To the

1 extent that the Receiver is able to more efficiently satisfy its duties under the System
2 Receivership Order and the Receivership Order by consolidating reports, analysis, or tasks, the
3 Receiver is encouraged to consolidate activities and notices to specified parties. The duties of the
4 receiver are to be interpreted so as to maximize the efficiency of the Receivership in its
5 implementation of the System Receivership Order and the Receivership Order.

6 **D. Compensation of Receiver**

7 42. The Receiver is permitted to charge up to \$385.00 per hour for services rendered
8 by it. This rate may be increased upon the Receiver's application to the Court, with notice to the
9 Central Coast Water Board and the Owners.

10 43. The Receiver may pay the Receiver's own fees and expenses by either: (a) serving
11 on the Central Coast Water Board and the Owners a notice of intent to pay to which no objection
12 is received by the Receiver within 20 calendar days of the notice; or (b) filing with the Court and
13 serving on the Central Coast Water Board and the Owners a request for interim payment, which
14 the Court then approves.

15 44. The Receiver shall be entitled to reimbursement of all expenses incurred directly
16 benefiting the receivership estate. The Receiver shall not be reimbursed for the Receiver's general
17 office administration expenses or overhead, such as office supplies, office rent, or other expenses
18 not exclusively related to the receivership.

19 **E. Discharge of the Receiver**

20 45. The receivership shall remain in place no longer than the conditions that justify it
21 make necessary. The Court will discharge the Receiver as soon as it is satisfied, in consultation
22 with the Receiver, that if the Receiver is discharged, the WWTP will be operated by an individual
23 or entity with the technical, managerial, and financial capacity necessary to ensure that the
24 WWTP is, and will remain, in compliance with the Act and Central Coast Water Board permitting
25 requirements. The Court expects that, as the receivership progresses, the Receiver will facilitate
26 the transition of the WWTP's control to the individual or entity that will operate the WWTP after
27 the Receiver is discharged. No non-cash assets of the Corporation are to be returned to the
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1 Owners. To the extent Corporation assets are not included as part of the transition of the WWTP
2 to an entity that will operate the WWTP, the Receiver shall propose a distribution plan for the
3 Court's ultimate approval, with notice to the Central Coast Water Board, the Division and the
4 Owners. Any cash proceeds owed to the Owners from the sale of assets will be disbursed pursuant
5 to the Final Judgment.

6 46. Discharge of the Receiver shall require a Court order upon noticed motion for
7 approval of the Receiver's final report and account. To initiate this discharge, the Receiver shall
8 file, serve, and obtain a hearing date on a motion for discharge and approval of the final report
9 and account. The motion to approve the final report and account and for discharge of the Receiver
10 shall contain the following: (a) a declaration or declarations stating what was done during the
11 receivership, certifying the accuracy of the final accounting, stating the basis for the termination
12 of the receivership (such as sale of the WWTP to a new owner or its consolidation with another
13 wastewater treatment facility or system), and stating the basis for an order for the distribution of
14 any receivership assets; and (b) a summary of the receivership accounting which shall include the
15 total revenues received, the total expenditures identified and enumerated by major categories, the
16 net amount of any surplus or deficit, and evidence of any necessary supporting facts.

17 To ensure the orderly operation of the receivership and maximize the value of the
18 Corporation, **IT IS HEREBY FURTHER ORDERED** that while the receivership is pending,
19 and until the further order of the Court, the COURT ORDERS the Owners and their employees,
20 agents, contractors and representatives to do the following:

21 47. Make all reasonable efforts to cooperate with the Receiver, not obstruct the
22 Receiver in the performance of his duties, and ensure that the Receiver can access, possess, and
23 control all Corporation property, including all property controlled by the Owners that is in any
24 manner used in the WWTP's operations or the treatment of wastewater or related services to the
25 WWTP's customers.

26 48. Immediately turn over possession of the Corporation's property to the Receiver,
27 including any prepaid fees or surcharges and other Corporation funds, whether such funds have
28 been deposited into the Corporation's accounts.

1 49. Immediately turn over to the Receiver all documents, books, accounts, bank
2 accounts, deposit accounts, records, deeds, easements, tax information, papers, payroll and
3 employee related information, current and past customer lists and contacts, access codes, keys,
4 passwords, access to social media and other websites for the Corporation, and any other
5 documents and data, whether in electronic or hardcopy form, and wherever located, that pertain to
6 the Corporation. To the extent that these items are not in their possession or control, the Owners
7 must immediately notify the Receiver of their existence and make reasonable efforts to obtain
8 them and turn them over to the Receiver. The Owners must cooperate with the Receiver to ensure
9 any unrecorded easements or deeds are promptly recorded, and to execute all documents that are
10 necessary for the Receiver to carry out the authorities and duties set forth in this order.

11 50. Immediately advise the Receiver in writing about the nature and extent of
12 insurance coverage of the Corporation's property and name the Receiver as an additional insured
13 on each insurance policy. The Owners may not cancel, reduce, or modify any insurance coverage,
14 and must notify the insurance company that the Receiver has exclusive authority to make changes
15 to the existing insurance coverage until the conclusion of the receivership.

16 51. Immediately advise the Receiver in writing about the nature and extent of any
17 ongoing and past negotiations pertaining to the potential sale, reorganization, or consolidation of
18 the WWTP.

19 52. Immediately advise the Receiver in writing about the nature and extent of any
20 ongoing and past WWTP failures, shutdowns, glitches, shortfalls, and malfunctions.

21 53. Immediately advise the Receiver in writing about the nature and extent of any
22 suspected potential future WWTP failures, shutdowns, glitches, shortfalls, or malfunctions.

23 54. Refrain from the following acts: (a) committing, encouraging, or allowing any
24 waste, or any act on the Corporation in violation of the law or this Court's order; (b) removing,
25 transferring, encumbering, disposing, or concealing any fixtures of the Corporation; (c)
26 demanding, collecting, or concealing any customer bill payments, surcharges, fees, or any other
27 charges or revenue in connection with the Corporation's provision of wastewater treatment
28 services, whether such services were provided before or after the date of this Order; (d)

1 interfering in any manner with the Receiver's duties or obligations under this order; or (e)
2 committing any act that would diminish or impair the preservation of the WWTP or the
3 Receiver's possessory right to the Corporation and its components and rights.

4 To promote judicial efficiency and ensure the orderly operation of the receivership, **IT IS**
5 **HEREBY FURTHER ORDERED** that all persons who receive actual or constructive notice of
6 this Order are ordered to do the following: (a) obtain this Court's approval to prosecute any new
7 judicial proceedings that involves the Receiver, Big Basin Water Company, Inc., or the
8 Corporation; (b) refrain from interfering with any property in the control of Receiver or that is
9 subject to this Order; and (c) turn over to the Receiver any Corporation asset within five (5)
10 business days of receipt of a copy of this Order.

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14 **IT IS SO ORDERED.**

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16 Date: 11/9/2023 9:06:24 AM



JUDGE OF THE SUPERIOR COURT
Timothy Volkmann

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