



March 23, 2023

### ***Background***

State and local agencies are working together diligently to resolve ongoing issues with Big Basin Water Company in Santa Cruz County. The purpose of this document is to answer questions you may have, provide you with resources, and clarify the roles and responsibilities of the state and local agencies that are involved.

### ***Drinking Water***

#### **1. What is the role of the State Water Board's Division of Drinking Water?**

The State Water Resources Control Board, Division of Drinking Water enforces federal and state drinking water rules. These rules cover drinking water quality and quantity, drinking water operations and management, and drinking water infrastructure.

Big Basin Water Company is a drinking water system and must follow these rules. Failure to follow drinking water rules can result in the Division of Drinking Water issuing fines and other penalties.

#### **2. Can the Division of Drinking Water remove the current management and operate the Big Basin Water Company water system?**

No. The Division of Drinking Water *cannot remove the current management or operate* the Big Basin Water Company drinking water system. The Division of Drinking Water encourages the consolidation of Big Basin Water Company with neighboring utilities. However, because the Big Basin Water Company customer base is above the economic threshold required by state law, the Division of Drinking Water does not have the authority to force consolidation.

The Division is considering a legal process called receivership to transfer operations of the water system to a temporary entity; however, the owner will maintain ownership.

### **3. Has the Division of Drinking Water issued enforcement actions against the Big Basin Water Company?**

Yes. The Division of Drinking Water issued 10 enforcement actions and fines against Big Basin Water Company between February 2019 and January 2023. Some of the enforcement actions include:

- Violations for not having enough water
- Not performing required water quality sampling
- Unplanned water outages
- Not correcting infrastructure-related issues identified by the Division of Drinking Water during inspections
- Not administering a cross connection control program that prevents backflow during water outages

Big Basin Water Company has not completed the required actions in some of these enforcement actions, resulting in fines and penalties. Big Basin Water Company is not allowed to use rate payer revenue to pay fines.

### **4. Is my drinking water safe to drink?**

Water supplied by Big Basin Water Company currently complies with all California and Federal water quality rules. However, Big Basin Water Company has a history of water outages due to:

- Substandard and damaged infrastructure,
- A lack of source capacity,
- Limited staffing and reported financial resources.

As a result, the Division of Drinking Water has issued fines and other penalties against Big Basin Water Company. Big Basin Water Company is required to notify customers annually of its water quality in a document called the Consumer Confidence Report. The current Consumer Confidence Report was sent in mid-2022 and is posted online at [2021 Consumer Confidence Report](#).

Big Basin Water Company will issue boil water notices or other unsafe water notifications when a contamination risk is present.

If you are concerned about your health or the health of a family member, contact your health care provider.

### **5. I have heard discussion regarding a receiver for Big Basin Water Company. What is a receiver?**

A receiver is a person appointed by a judge to take charge of and manage a company on a temporary basis. During receivership, the owners of the company continue to own the company, and the judge appoints a receiver to run all or a part of the company's business under the judge's supervision until Big Basin Water Company is brought back into compliance with water quality rules.

**6. How does a receiver get appointed?**

There are laws that permit, under specific circumstances, a party to file a lawsuit asking the judge to appoint a receiver for a company. The State Water Board can file a lawsuit asking a judge to appoint a receiver to operate Big Basin Water Company's drinking water system. If the lawsuit is successful, the receiver can only take charge of the drinking water system side of Big Basin Water Company's business. The outcome would not apply to the wastewater side of Big Basin Water Company's business.

**7. What is the timeline and process for obtaining a receiver of the drinking water system?**

The State Water Board's Division of Drinking Water has recommended moving forward with the legal process for the appointment of a receiver to manage Big Basin Water Company's drinking water system, which it has discussed with the water company. The Division of Drinking Water is working on the steps it needs to complete before filing a lawsuit. Once the lawsuit is filed, the process of asking the judge to appoint a receiver will still take time. The judge will consider arguments for and against the appointment of a receiver. If the judge agrees that a receiver is needed, one will be appointed on terms decided by the judge. Only then will the receiver take charge of Big Basin Water Company's drinking water system. This process would take many months.

**8. What is the role of the County of Santa Cruz, and can they remove the current management and operate the Big Basin Water Company water system?**

No. The County of Santa Cruz *cannot remove the current management or operate* the Big Basin Water Company drinking water system. The county does not regulate Big Basin Water Company. However, the county is working collaboratively with the State and the community on resolving customer challenges.

**Wastewater****9. What is wastewater?**

Also called sewage, wastewater is the leftover, "used water" that comes from activities like bathing, washing dishes, and flushing toilets. Wastewater must be cleaned before it can be released back into the environment. This cleaning, also called treatment, happens at more than 900 wastewater treatment plants throughout the state.

**10. What is the role of the Central Coast Regional Water Quality Control Board (Central Coast Water Board)?**

The Central Coast Water Board regulates Big Basin Water Company's wastewater treatment plant. The Board issues permits to wastewater treatment and disposal facilities to make sure they are operating in compliance with wastewater regulation rules. According to data provided by Santa Cruz County, Big Basin Water Company's wastewater treatment plant could service up to 30 residential properties and 1 fire station in the Big Basin Woods subdivision located near Boulder Creek. According to Santa Cruz County, 4 parcels (3 residences and the fire station) are sending wastewater to the treatment plant with many of the other parcels either vacant or under construction.

**11. Is the wastewater treatment plant operating correctly now?**

No. The wastewater treatment plant has not operated correctly since the 2020 CZU Lightning Complex fire and cannot treat the wastewater coming from the 4 parcels. Since the fire, the wastewater treatment plant has not had electrical power, and components needed to operate the plant were likely damaged. Last August, the Central Coast Water Board learned that raw sewage was overflowing the wastewater basins and spilling onto the ground.

**12. What is being done to make sure Big Basin Water Company is operating the plant correctly?**

Until the wastewater treatment plant becomes fully operational, the Central Coast Water Board has required Big Basin Water Company to implement measures to prevent spills of raw sewage and prevent conditions that could lead to pollution of groundwater and nearby creeks. There continues to be times when the Big Basin Water Company has not complied with Central Coast Water Board requirements and sewage has spilled onto the ground.

**13. Can the Central Coast Water Board take over the wastewater treatment plant?**

No. The Central Coast Water Board oversees the operation of wastewater treatment plants and cannot take over its operation.

**14. Does the Central Coast Water Board have the authority to seek an appointed receiver for the wastewater treatment plant?**

Yes, but the Central Coast Water Board's authority is separate and different from the authority granted to the State Water Board's Division of Drinking Water. Before the Central Coast Water Board can file a lawsuit seeking the appointment of a receiver for the wastewater side of Big Basin Water Company's business, the Central Coast Water Board must provide notice and hold a public meeting.

The Central Coast Water Board enforcement staff are currently evaluating the most efficient and direct path forward to bring Big Basin Water Company back into compliance with the laws that govern wastewater treatment plants, including whether to recommend seeking the appointment of a receiver.

## ***Rates and Billing***

### **15. What is the role of the California Public Utilities Commission (CPUC)?**

The CPUC regulates investor-owned water, electric, natural gas, and other utility companies. Big Basin Water Company is an investor-owned, for-profit water utility company and is therefore regulated by the CPUC.

The Water Division of the CPUC:

- Establishes water rates
- Enforces compliance with CPUC orders and the California Public Utilities Code through enforcement actions including monetary penalties

The Consumer Affairs Branch of the CPUC:

- Assists consumers with billing and service-related matters
- Resolves informal complaints filed against CPUC regulated utilities

### **16. Who do I contact if I have a billing complaint?**

For billing complaints, contact Big Basin Water Company at (831) 818-4477 or (831) 332-6236 or [sjm16595@gmail.com](mailto:sjm16595@gmail.com).

- If you are not satisfied with the response from Big Basin Water Company, contact the Consumer Affairs Branch of the California Public Utilities Commission by filing an informal complaint [online](#) or by phone at (800) 649-7570.

### **17. Who should I contact with a water outage or water quality complaint?**

For water outage or water quality issues, contact Big Basin Water Company at (831) 818-4477 or (831) 332-6236 or [sjm16595@gmail.com](mailto:sjm16595@gmail.com).

### **18. Who should I contact with questions?**

Contact the following agencies regarding drinking water, wastewater, rates and billing, and storm or other disaster related issues:

#### **Drinking Water**

State Water Resources Control Board, Division of Drinking Water, Monterey District office: (831) 655-6939 or [dwpdist05@waterboards.ca.gov](mailto:dwpdist05@waterboards.ca.gov).

#### **Wastewater**

Central Coast Regional Water Quality Control Board:  
[RB3-WDR@Waterboards.ca.gov](mailto:RB3-WDR@Waterboards.ca.gov) or (805) 549-3147.

**Rates and Billing (other financial related questions/complaints)**

[California Public Utilities Commission](#), Consumer Affairs Branch:  
File an informal complaint [online](#) or by calling (800) 649-7570.

**Storm Related or Disaster Response**

Santa Cruz County Emergency Operations Center, contact:  
[rpc@santacruzcounty.us](mailto:rpc@santacruzcounty.us) or (831) 454-2285.