



# Big Basin Water Company Frequently Asked Questions

Updated on February 28, 2024

## Background

State and local agencies are diligently working together 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. This document is separated into the topics of **General**, **Drinking Water**, **Wastewater**, and **Rates & Billing**.

## General

### 1. Who can I contact if I have questions?

See the final section of this FAQ for contact information of the court-appointed receiver in possession of Big Basin Water Company. State and local-level government agency contact information is also provided.

### 2. Who is Silver & Wright LLP? Who is Cypress Water Services?

Serviam by Wright LLP (known as “Silver & Wright LLP” prior to January 2024) is the court-appointed “receiver” for Big Basin Water Company. Serviam by Wright LLP is a law firm headquartered in California specializing in receiverships. The law firm is an agent of the court and needs court approval to make major decisions, such as transferring the drinking water or wastewater system to new ownership.

Cypress Water Services is an “operator” subcontracted by the court-appointed receiver for Big Basin Water Company. Cypress Water Services is a California-based company that specializes in day-to-day operations and customer services.

**3. What is a receiver and how were they appointed?**

Santa Cruz Superior Court appointed a receiver to operate both the drinking water system and wastewater treatment plant through separate enforcement actions brought by the Division of Drinking Water and the Central Coast Water Board.

During receivership, the owners of the company continue to own the company, but the receiver runs each system under the court’s supervision until Big Basin Water Company is brought back into compliance with the law.

**4. Who is responsible for ensuring repairs are completed and communications are relayed to customers when there are water outages?**

The court-appointed receiver is responsible for all Big Basin Water Company operations, including repairs and communications to customers when there are issues with either the drinking water system or the wastewater system.

**5. What authority does the receiver have to generate revenue? Is the receiver allowed to sell assets owned by Big Basin Water Company?**

Yes, the receiver has the power to sell assets owned by Big Basin Water Company. However, the receiver is an agent of the court and needs court approval to make major decisions, such as transferring ownership of the drinking water or wastewater system.

The receiver’s authority and powers are set forth specifically in the Court’s order appointing the receiver. Court orders appointing the receiver to the [drinking water system](#) and [wastewater treatment system](#) are linked here and can be found at the Santa Cruz Superior Court website. The receiver’s duties include taking those steps that would ordinarily and reasonably be taken by a responsible owner of the

drinking water and/or wastewater system, which includes the authority to generate revenue and sell assets, where appropriate.

## **6. What is the role of the County of Santa Cruz?**

The County of Santa Cruz does not regulate or have direct authority over either the drinking water or wastewater systems of Big Basin Water Company.

The County has been working collaboratively with the community and regulators to resolve the challenges faced by Big Basin customers. Since the receivership began, the County has worked closely with Serviam by Wright LLP to keep the system operational during the transition to their management.

The County has also provided \$40,000 in emergency funding and obtained a grant on behalf of Big Basin Water Company for \$850,000 from the Department of Water Resources. These funds have helped cover the costs of operational shortfalls, emergency repairs, and long-term planning.

## **Drinking Water**

### **7. 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; and
- 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](#).

Big Basin Water Company will issue boil water notices 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.

**8. What is the drinking water status of Big Basin Water ownership?**

Currently, a court-appointed receiver is managing the drinking water system and all assets owned by the drinking water system, as petitioned by the State Water Resources Control Board, Division of Drinking Water.

This means that while the ownership of the drinking water system has not changed, all drinking water system operations, billing, and communications are controlled by the court-appointed receiver.

**9. 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, operations and management, and 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.

**10. How will the receivership impact the Division of Drinking Water's ability to enforce the current enforcement actions against Big Basin Water Company?**

The receivership does not impact the Division of Drinking Water's ability to regulate and enforce Big Basin Water Company.

## **Wastewater**

### **11. What is wastewater? What is wastewater treatment?**

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.

### **12. What is the wastewater status of Big Basin Water ownership?**

Currently, a court-appointed receiver is managing the wastewater treatment plant.

This means that while the ownership of the wastewater system has not changed, all aspects of the wastewater operations are controlled by the receiver.

### **13. 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 operate 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, some parcels are sending wastewater to the treatment plant but most of the other parcels are either vacant or under construction.

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

The various components of the wastewater treatment plant appear to be functioning properly.

Many system components have been repaired, replaced, or upgraded. The plant is meeting most existing permit requirements, and work is ongoing towards unmet permit requirements.

**15. Who is funding the wastewater treatment plant?**

The cost to build, operate, and maintain wastewater treatment plants is paid by rates charged to the customers in the plant's service area. Currently, the income received from property owners in the Fallen Leaf neighborhood is significantly less than the cost to operate the plant.

The court-appointed receiver recently obtained approval for \$230,400 in short-term emergency funding from the Central Coast Regional Water Quality Control Board and the State Water Resources Control Board to fund repairs and emergency operations through July 2024.

These limited funds have been covering monthly operational costs as well as emergency repairs, replacements, and upgrades necessary to have operational wastewater system components. The funding also includes \$35,400 for the County of Santa Cruz to develop an engineering report and rate study to take over wastewater operations through County Service Area 07.

**16. What are the next steps for the wastewater treatment plant?**

A public meeting will be held on March 4, 2024 for the Fallen Leaf neighborhood property owners to learn more about the process for potentially joining County Service Area 07 for their wastewater services.

It is important for the transfer of operations to occur in a timely manner before the short-term emergency funds are exhausted, to ensure the seamless operations of the Big Basin Water Company wastewater treatment plant.

## **Rates & Billing**

### **17. 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; and
- 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; and
- Resolves informal complaints filed against CPUC regulated utilities.

### **18. Who will be billing customers? Who should customers pay each month?**

Effective December 11, 2023, the court-appointed receiver issued the first post-receivership customer bills for Big Basin Water Company. Customer payments should be made to Big Basin Water Company Inc, which is now in the possession and control of the receiver.

### **19. How will customer water rates be affected by the receivership?**

All customer general rate increases must be approved by the California Public Utilities Commission (CPUC). Big Basin Water Company and its court-appointed receiver cannot increase general customer rates outside of this CPUC process.

**20. Now that the receiver has taken over billing, how will the Water Board ensure accurate billing to customers?**

The Water Board does not oversee the regulation of rates or billing.

## Contact Information

### **BIG BASIN WATER COMPANY (under control of the court-appointed receiver):**

Cypress Water Services

(customer service operator subcontracted by the receiver):

[bigbasin@cypresswaterservices.com](mailto:bigbasin@cypresswaterservices.com)

**831-920-6796**

### **ADDITIONAL CONTACTS**

Central Coast Regional Water Quality Control Board:

[RB3-WDR@Waterboards.ca.gov](mailto:RB3-WDR@Waterboards.ca.gov)

**(805) 549-3147**

Santa Cruz County Emergency Operations Center

Storm Related or Disaster Response:

[rpc@santacruzcounty.us](mailto:rpc@santacruzcounty.us)

**(831) 454-2285**

State Water Resources Control Board, Division of Drinking Water

Monterey District Office:

[dwpdist05@waterboards.ca.gov](mailto:dwpdist05@waterboards.ca.gov)

**(831) 655-6939**

[California Public Utilities Commission](#), Consumer Affairs Branch:

File an informal complaint [online](#) or by calling **(800) 649-7570**.