



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Office of Response, Recovery and Resilience

Subject: Approve Amendment to Agreement 24C4900

Meeting Date: June 10, 2025

Formal Title: Approve amendment to agreement with Serviam by Wright LLP, Court-Appointed Receiver for Big Basin Water Company, Inc., and take related actions

Recommended Actions

1. Approve amendment to Agreement 24C4900 with Serviam by Wright LLP, the court-appointed receiver for Big Basin Water Company, Inc., to allow for flexibility in the allocation of funds among individual task budgets, without changing the not-to-exceed amount of \$850,000; and
2. Authorize the Office of Response, Recovery and Resilience Director to execute the amendment.

Executive Summary

In May of 2024, the Office of Response, Recovery and Resilience (OR3) entered into Agreement 24C4900 with Serviam by Wright LLP (Serviam) to implement the Big Basin Emergency Water Assistance Project (Project) utilizing funding from the Department of Water Resources (DWR) Small Community Drought Relief Program. The Agreement established task-specific budgets to ensure continuity and resiliency of drinking water service for the Big Basin community. The requested amendment will provide OR3 with administrative flexibility to adjust funding allocations between tasks as operational needs evolve. The not-to-exceed contract amount of \$850,000 will not change.

Discussion

In January 2024, the Department of Water Resources (DWR) Small Community Drought Relief Program awarded an \$850,000 grant to the County for the Big Basin Emergency Water Assistance Project (Project). The Project supports urgent and transitional operations of the Big Basin Water (BBW) System, placed under court-appointed receivership due to sustained operational failures that jeopardized public health for BBW customers. The court-appointed receiver, Serviam, is responsible for implementing the Project, which consists of three major task areas:

1. Water system emergency base-level operational requirements
2. Water supply and conveyance system resilience development
3. Water system consolidation

In May 2024, an agreement with Serviam was executed, making OR3 the fiscal agent for the reimbursable grant from the DWR. OR3 utilizes DWR grant funds to reimburse Serviam for completed tasks within the scope of the Project.

Since the agreement with Serviam was initially executed, the resources and expenditures required to maintain continuity of BBW operations have shifted and are expected to continue evolving. Day-to-day emergency operations, maintenance, emergency repairs, and essential customer service have increasingly required greater resource deployment.

The proposed Amendment is necessary to provide the County with administrative flexibility to reallocate funds among the individual task budgets in response to these changing operational requirements. The total not-to-exceed contract amount of \$850,000 will remain unchanged.

Financial Impact

This amendment does not impact the not-to-exceed agreement amount of \$850,000 and approving the amendment does not require additional General Fund.

Strategic Initiatives

Operational Plan - Comprehensive Health & Safety

Climate Action - Water

Submitted By:

David Reid, Director

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.