



Big Basin Water Company Frequently Asked Questions

Updated on September 8, 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 pursuing a legal process called receivership to transfer operations of the water system to a temporary entity; however, the owner will maintain ownership.

3. Was Big Basin Water Company sold?

No. Jim and Shirley Moore still own Big Basin Water Company, which in turn owns the water and wastewater systems. The temporary operations and maintenance agreement with Central States Water Resources does not impact ownership. Central States Water Resources and Big Basin Water Company signed a purchase agreement, but the sale is not finalized.

Central States Water Resources has not applied for a change of ownership permit with either the California Public Utilities Commission or the Division of Drinking Water.

4. Who is Central States Water Resources?

Central States Water Resources is a private-for-profit utility company based in Missouri that owns water and sewer systems throughout the United States.

Effective August 1, 2023, Central States Water Resources and Big Basin Water Company began a temporary operations agreement. As part of the temporary agreement, Central States Water Resources will take over some of the operations and management of the water and wastewater systems, including billing and customer service. Cypress Water Service, based in Monterey County, is currently the contract water and sewer system operator.

5. How will Big Basin Water Company's temporary operations agreement with Central States Water Resources impact the Drinking Water Division's ability to regulate and enforce the current enforcement actions against Big Basin Water?

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

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

Big Basin Water Company, specifically Jim and Shirley Moore, as the water system owner and permit holder, are responsible for compliance with drinking water rules, including repairs and communication. Central States Water Resources, as a contract operator, may take on some of these duties. If violations occur, however, the Division of Drinking Water will issue enforcement to Big Basin Water Company.

7. 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.

8. 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.

9. 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 filed a lawsuit in the Santa Cruz County Superior Court seeking the appointment of a receiver to manage Big Basin Water Company's drinking water system. On September 29, 2023, the Judge will hold a hearing on the Division's application to have a receiver appointed. The hearing will be in Department 5 of the Santa Cruz Superior Court at 8:30 a.m. It is expected that the Judge will issue his decision on whether a receiver will be appointed for the drinking water system at that hearing or shortly thereafter.

10. Has the Division of Drinking Water issued enforcement actions against the Big Basin Water Company?

Yes. The Division of Drinking Water issued 11 enforcement actions and fines against Big Basin Water Company between February 2019 and August 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.

11. 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.

12. 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 posted to Central States Water Resources' website late August 2023 at [2022 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.

Wastewater

13. 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.

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

15. Is the wastewater treatment plant operating correctly now?

The various components of the wastewater treatment plant appear to be functioning properly, the plant is meeting most of the existing permit requirements, and work is ongoing toward meeting unmet permit requirements. Moving forward, the plant be enrolled in an updated permit. Once the existing 1997 permit is updated, Big Basin Water Company (or their predecessor) will be required to comply with current permit requirements and upgrades to the treatment system may need to be made at that time.

16. 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.

17. 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. The Central Coast Water Board has referred its enforcement case against Big Basin Water Company to the California Attorney General's Office. If and/or when a lawsuit is filed, receivership is one of several remedies that could be pursued. The Central Coast Water Board continues to evaluate the most efficient and direct path to bring Big Basin Water Company back into compliance with the laws that govern the wastewater treatment plant, which may or may not include seeking the appointment of a receiver.

18. How will Big Basin Water Company's temporary operations agreement with Central States Water Resources impact the Regional Board's regulation, monitoring and enforcement of the current clean-up and abatement order regarding the wastewater system?

The temporary operations agreement with Central States Water Resources does not change the Central Coast Water Board's regulation, monitoring, and enforcement of the current cleanup and abatement order for the wastewater system. Big Basin Water Company, Inc and Jim Moore remain responsible for all aspects of the cleanup and abatement order. Additionally, Big Basin Water Company remains responsible for wastewater system permit compliance including the required monitoring and reporting program.

Rates and Billing

19. 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.

20. How will the temporary operations and maintenance agreement impact water rates?

All customer general rate increases must be approved by the California Public Utilities Commission (CPUC). The current Big Basin Water Company rate increase application is still under review by the CPUC. Big Basin Water Company cannot increase general customer rates outside of this CPUC process. The execution of the temporary agreement does not entitle Big Basin Water Company and/or Central States Water Resources to increase general customer rates without going through the required CPUC process.

21. Who do I contact if I have a billing complaint?

For billing complaints, contact Central States Water Resources at 1-866-860-3617 or support@cswrcaliforniauoc.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.

22. Who should I contact with a water outage or water quality complaint?

For water outage or water quality issues, contact Central States Water Resources at 1-866-860-3617 or support@cswrcaliforniauoc.com.

23. 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.

Wastewater

Central Coast Regional Water Quality Control Board:
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 or (831) 454-2285.