



# STAFF REPORT

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<b>Meeting Type:</b>	Board of Directors
<b>Title:</b>	Second Amendment to Miscellaneous Agreement No. 6185 With National Response Team for Water Remediation and Restoration Services
<b>From:</b>	Darren Machado, Operations Director
<b>Through:</b>	Ben Horenstein, General Manager
<b>Meeting Date:</b>	January 06, 2026

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**TYPE OF ITEM:**  Action  Information

**RECOMMENDATION:** Authorize the General Manager to execute the Second Amendment to Miscellaneous Agreement No. 6185 to increase the contract amount by one hundred fifty thousand dollars for a total not to exceed amount in the agreement of \$550,000

**SUMMARY:** On March 21, 2023, the Board of Directors approved a 3-year agreement with National Response Team (NRT) for on-call 24/7 Water Remediation and Restoration Services. This original agreement was based on an historical average cost of \$100,000 annually for these services, in an amount not to exceed \$300,000.

On November 25, 2025, an amendment (first amendment) was executed adding an additional \$100,000 to this agreement for the utilization of additional services, in an amount not to exceed \$400,000.

Additional funding is needed due to the number of recent water main breaks requiring extensive water remediation and restoration services provided by NRT. In 2023 there were a total of 44 water main breaks resulting in the need for NRT's services six times at a total cost of \$95,074. The following year, 2024, there were a total of 60 water main breaks resulting in the need for NRT's services five times at a total cost of \$37,465. In 2025, there was a total of 69 water main breaks resulting in the need for NRT's services 12 times at a total cost of \$306,974.

Staff is requesting that the Board authorize the General Manager to execute the second amendment, adding an additional \$150,000 to this agreement, for a total amount not to exceed \$550,000.

**DISCUSSION:** The District takes many measures to reduce potential liabilities and preserve ratepayer dollars. These risk management approaches include many strategies such as providing preventative training, maintaining adequate insurance coverages to protect District assets, requiring contractors and

vendors to maintain adequate insurance coverages, administering a District self-insurance program in a prudent manner, and continually identifying risks and mitigation strategies.

One key part of these risk mitigation strategies is maintaining on-call water remediation and restoration services. In the event of a District water main break that results in the flooding of residences or businesses, District crews dispatch the District's on-call water remediation and restoration service provider. The service provider responds 24/7 and, with the consent of the property owner, begins to immediately relocate personal belongings to prevent further water damage and to dry the impacted structure(s). This work assists District customers impacted by the unplanned event, provides a timely response to reduce the scope of damage and eliminates the need for the impacted customers to secure these services on their own. Providing this service not only helps to mitigate the extent of the damage, it is also representative of the level of service that the District always strives to provide to its customers. Additionally, by having the District's service provider deliver these services, the District benefits from economies of scale price savings and reduces the risks of further damages potentially resulting from the water intrusion, such as the prevention of mold growth.

These services are provided on an as-needed basis, making it difficult to anticipate the exact amount of funds needed each calendar year. The District experienced a number of water main breaks that impacted customer properties and necessitated the response of NRT to quickly mitigate the damages. Due to this higher level of response, additional funds are now needed to allow the District to continue these services. Staff request that the Board authorize a second amendment, adding an additional \$150,000 to the existing contract for a total not to exceed amount of \$550,000.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** This is an on-call agreement, meaning that no number of services or expenditures are guaranteed. Funding for this second Amendment is as operating expenditure and will be funded under the District's self-insurance budget (10-7020-5510).

**ATTACHMENT(S):**

1. Proposed Second Amendment to Miscellaneous Agreement No. 6185

DEPARTMENT OR DIVISION	DEPARTMENT MANAGER	APPROVED
Operations Division	 Darren Machado Operations Director	 Ben Horenstein General Manager