



STAFF REPORT

Meeting Type: Board of Directors
Title: Third Amendment to Miscellaneous Agreement No. 6185 With National Response Team for Water Remediation and Restoration Services
From: Darren Machado, Operations Director
Through: Ben Horenstein, General Manager
Meeting Date: March 17, 2026

TYPE OF ITEM: X Action Information

RECOMMENDATION: Approve a Third Amendment to Miscellaneous Agreement No. 6185 for restoration response services, exercising an option to extend the contract term for two additional years, and adding an additional \$200,000 to the agreement for a total amount not to exceed \$750,000

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 agreement anticipated an expenditure of approximately \$100,000 per year based on a historical average cost annually for these services and was entered into with a total funding 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, for a total amount not to exceed \$400,000.

On January 6, 2026, the Board approved an amendment (second amendment) adding an additional \$150,000 to this agreement for the utilization of additional services, for a total amount not to exceed \$550,000.

The additional funds were needed due to a higher number of water main breaks requiring significant remediation services and the further amended is necessary to ensure the continued 24/7 availability of these services. 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 was 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 \$240,318.

Staff is requesting that the Board approve the Third amendment, exercising an option to extend the contract term for two additional years, adding an additional \$200,000 to this agreement, for a total amount not to exceed \$750,000, and authorize the General Manager to execute the amendment.

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. During the initial three years of this contract, the District experienced a number of water main breaks that impacted customer properties and necessitated the response of NRT to quickly mitigate the damages. The number and significant nature of some of these events resulted in a need for additional funds within the first three years of the agreement. The Third Amendment will ensure that these services will continue to be available to the District and its customers in the event of water intrusion caused by possible future water main breaks. Staff request that the Board authorize the third amendment for the continuation of NRT's on-call 24/7 service for an additional two (2) years.

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 third amendment is an operating expenditure and will be funded under the District's self-insurance budget (10-7020-5510).

ATTACHMENT(S):

1. Proposed third amendment to Miscellaneous Agreement No. 6185

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
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Operations



Darren Machado
Operations Director



Ben Horenstein
General Manager