

Sheep Creek Water Company
Regular Board of Directors Meeting
March 21, 2019 ~ 6:30 PM
Snowline Joint Unified School District ~ Board Room
4075 Nielson Road, Phelan, CA 92371

The Regular Board of Directors Meeting of March 21, 2019 was called to order at 6:30 p.m. by Board President Andy Zody. Chris Cummings led in the Pledge of Allegiance and David Nilsen led in the Invocation. Mr. Zody reminded the guests that the meeting was being recorded for accuracy of the meeting minutes.

Directors Present: Directors present tonight were President Andy Zody, Secretary/Treasurer Kellie Williams, Director David Nilsen and Director Luanne Uhl.

Staff Present: Staff present at tonight's meeting were General Manager Chris Cummings and Administrative Secretary Dorothy Zody.

Guests Present: Tonight's Guests included Michael Palecki, Don Fish, Yasha Philips, Deborah Philips, Charlie Johnson, Carmen Scherubel, George Cardenas, and Dawn Butler.

Consent Motions: Director Luanne Uhl moved to accept the Consent Motions as presented. Secretary/Treasurer Kellie Williams seconded the motion. Motion Carried.

Open Forum: Mr. Zody explained that under this item any member of the Board or the public may address the Board on any item relating to the district but not appearing on the agenda but noted that under **AB240** the Board is prohibited from taking any action not appearing on the agenda.

Mr. Nilsen asked if we start the CEQA process on the new wells and we want to obtain state funding can we go ahead or do we have to wait for approval from the state. Chris reported that yes we would have to wait for state approval if we want funding before any project is started.

Old Business:

System update- General Manager Chris Cummings reported the static water levels have increased over the past couple of weeks between 4 - 9 feet. Well 8 has not had any increases. The water levels are up between 1 - 21 feet from a year ago depending on the well. Current pumping capacity for March 2019 is 1,315 GPM with the Tunnel flow at 112 GPM. The well field production is 1,064 GPM which is a decrease of 245 GPM from 1 year ago. Our current usage is averaging 340,000 gallons per day. There have been issues with the tunnel flow meter so we have a project planned to replace the flow meter along with adding a strainer before the meter and installing a shut off valve.

SWRCB Compliance Order- Chris reported there was a meeting with the SWRCB on March 8th between the Board and the Division of Drinking Water. The discussion was to begin moving forward with a Corrective Action Plan for Sheep Creek to come into compliance with the Source Capacity Violation. At this time it is unknown which Plan Sheep Creek will move forward with. The SWRCB has requested that an action plan be submitted with both alternatives. Chris will be sending a request along with documentation to the SWRCB to reduce the MDD from 2.09 MGD down to 1.78 MGD. During the meeting Eric, the District Engineer, recommended a Water Board Representative attend the Annual Shareholders Meeting to explain to the shareholders the Compliance Order and requirements along with answering any questions the Shareholders might

have. The Board all agreed to have a Representative attend the meeting. Mr. Fish expressed his concern that shareholders might not know how important the Shareholders Meeting is this year with regards to the two options for the company. Mr. Zody explained that we will be sending out packets in April and it will be posted on our web site and suggested maybe Mr. Fish could put it in his next publication of the News Plus newspaper. Don Bartz asked the Board if there would be information given to the Shareholders on what the options are and how the funding will work. Mr. Zody explained that there will be a list of all options in the packet.

Annual Meeting; Agenda- Secretary/ Treasurer Kellie Williams made the motion to approve the Agenda as presented. Director Luanne Uhl seconded the motion. Motion carried.

New Business:

Board Committee: With the possibility of Sheep Creek Water Company consolidating with Phelan Pinion Hills Community Service District (PPHCSD) there will need to be discussions, meetings and negotiations between the two districts. It is recommended the Board appoint 2 Board Members from Sheep Creek Water Company Board of Directors. Any committee meetings with PPHCSD will be public meetings. President Andy Zody nominated David Nilsen. Luanne Uhl seconded. Mr. Nilsen accepted, motion carried. Director Luanne Uhl nominated Bob Howard, Andy seconded. Upon Mr. Howard's acceptance the motion carried.

Los Angeles County Well Site Proposal: Dave Roberts with Snowline Real Estate has made a proposal to SCWC with regards to Well #10 in Los Angeles County. Mr. Roberts owns 2 pieces of property south of SCWC's vacant parcel. Mr. Roberts has written a Proposal to purchase the 3 properties between Sheep Creeks exiting properties. With the purchase of the 3 additional properties, this would create a total of 8.75 acres between Mr. Roberts and Sheep Creeks properties. No action was taken by the Board.

Next Scheduled Meetings

April 4, 2019- Board Work Shop
April 18, 2019- Regular Board Meeting
May 2, 2019- Board Workshop
May 11, 2019- Annual Shareholders Meeting

Adjournment: Director Dave Nilsen made the motion to adjourn the meeting. Treasurer Kellie Williams seconded the motion. Motion carried. The Regular Board of Directors Meeting of March 21, 2019 was adjourned at 7:05 P.M.

Closed Session: Closed session began at 7:06 P.M. for an employee evaluation.

Respectively Submitted,

Kellie Williams
Secretary/Treasurer
Sheep Creek Water Company