

***SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
October 15, 2020 ~ 6:30 PM
SHEEP CREEK WATER COMPANY – via Zoom
4200 Sunnyslope Rd., Phelan, CA 92371***

Due to the Covid-19 pandemic and required Social Distancing, The Sheep Creek Water Company Regular Board of Directors Meeting will be held via Zoom Meeting for Shareholder participation. Shareholders may access the meeting remotely with the following options.

Remote Participation Information:

Zoom: <https://us02web.zoom.us/j/81583438036?pwd=dXZYakgvOCs4S3hMOUdaOGFZM3lvZz09>
Meeting ID: 815 8343 8036
Passcode: 105934

One tap mobile

+16699006833,,81583438036#,,,,,0#,,105934# US (San Jose)

Dial-In

(669) 900-6833
Meeting ID: 815 8343 8036
Passcode: 105934

AGENDA

- 1) **Open Meeting-** 6:30 PM
 - a. Flag Salute
 - b. Invocation

- 2) **Consent Motions**
 - a. Minutes:
 - i. *Regular Board of Directors Meeting- September 17, 2020*
 - b. Bills:
 - i. *September 17, 2020 through October 15, 2020*
 - c. Managers' Report: Included in Board Packet

- 3) **Open Forum/Public Comment-** Under this item any member of the Board or Public may address the Board on any item relating to the company not listed on this agenda. However, the Board is prohibited under AB 240 from taking any action on an item not appearing on the agenda. Board president will call on each participant and at that time you have three (3) minutes to speak.

- 4) **Old Business**
 - a. System Update

- b. Source Capacity Project Update
 - c. SWRCB Updated Compliance Order NO.05-13-18R-002A1
 - d. PPHCSD Consolidation Update
- 5) **New Business**
- a. Bob Howard Resignation
- 6) **Next Scheduled Meeting**
- a. November 19, 2020 via Zoom
- 7) **Closed Session**
- a. Employee Evaluation
- 8) **Adjournment**

SHEEP CREEK WATER COMPANY
Regular Board of Directors Meeting
September 17, 2020 ~ 6:30pm
Sheep Creek Water Company ~ Board Room via Zoom
4200 Sunnyslope Road, Phelan, CA 92371

The Regular Board of Directors Meeting of September 17, 2020, was called to order by Board President Andy Zody. Chris Cummings led in the Pledge of Allegiance. The Invocation was led by Director David Nilsen. Mr. Zody reminded everyone that the meeting was being recorded for the accuracy of the meeting minutes.

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

Staff Present: General Manager Chris Cummings

Guests Present: PPHCSD General Manager Don Bartz was present at the meeting for a presentation. Shareholder's Diane Hayball, Mike O'Brien, Kathy Everhart and Don Fish. PPHCSD Board Members Charlie Johnson, Deborah Philips and Rebecca Kujawa along with George Cardenas.

Mr. Zody asked for a moment of silence for two members of the community. Realtor, *Carmen Scherubel*, who was a respected member of the community and the *Tapia Family*, who have been a much loved "family" to Sheep Creek Water Company.

Consent Motions:

Minutes: *Regular Board of Directors Meeting ~ August 13, 2020*

Bills: *August 13, 2020 through September 17, 2020*

Manager's Report: Included in Directors Packets

Luanne Uhl moved to approve the Consent Motions as presented. Dave Nilsen seconded the motion. Motion carried.

Open Forum/Public:

Under this item any member of the Board of Public may address the Board on any item relating to the company that is not listed on this agenda. However, the Board is prohibited under AV240 from taking any action on an item not appearing on the agenda. The Board President will call on each participant and at that time they will have three (3) minutes to speak.

Mr. Zody asked everyone present at tonight's meeting if they had anything they needed to bring to the Board. No questions or concerns were brought up at this time.

Presentation: Phelan Pinon Hills Community Services District General Manager Don Bartz gave a presentation to the Sheep Creek Water Company Board along with those present. Mr. Bartz presentation was regarding new opportunities available for funding to consolidate SCWC with PPHCSD. <https://www.sheepcreekwater.com/meeting-minutes-and-financial-reports>

Old Business

a.) **System Update:** Static water levels have had an average decrease of 2-5 feet. The water levels compared to 1 year ago are an average of 7-11 feet higher than this time last year. Wells 3A and 5 are running daily, averaging 8-12 hours. Water usage is averaging 650,000 gallons per day. The Tunnel is averaging 133 gallons per minute.

b.) **Source Capacity Project Update:** The Notice of Determination and the Mitigation Monitoring & Reporting Program have been submitted to State Clearing House. The engineer is preparing the Storm Water Prevention plan for construction.

c.) *SWRCB Updated Compliance) Order No. 05-13-18R-002A1*

The required information was submitted to the SWRCB on August 28th for their review. At this time there has not been a response back from the state. A letter to request an extension of time for Directive 2b was submitted to the SWRCB last month after a proposal to complete the required Asset Management Plan was approved. Sheep Creek received a response late Friday with an extension approved until November 30, 2020, as that time approaches, an additional request can be submitted showing the progress of the plan. IEC and I are moving forward with the Asset Management Plan. The past few weeks I have been submitting system information and records to the engineer.

The Board of Directors decided to take no action regarding Mr. Hong's request for reimbursement.

New Business:

a.) *Jason Hong – Meter Service Reimbursement Request:* Mr. Hong purchased a ten acre parcel of vacant land with 2 meter services installed in 2006. Mr. Hong then purchased 2 additional meter services for the property. The property was to be subdivided into 4 parcels. The 2 additional meter services required that 660' of new line be installed. As of August 2018 when the SWRCB moratorium was put into place, the new line and the meters have not been installed. Mr. Hong wishes to sell the property but has been unable to without the meters installed. Mr. Hong sent a letter requesting a reimbursement for the two meter services that were purchased.

b.) *Consolidation Opportunities with PPHCS D*

- i. *Resolution to Enter into Negotiations for Consolidation***
- ii. *Letter of Intent***

Don Bartz stated that the Resolution and Letter of Intent need to be file with the SWRCB for Consolidation to proceed. Shareholder Diane Hayball and Kathy Everhart both had comments regarding the consolidation moving forward.

David Nilsen move to approve Chris Cumming's to move forward, together with Don Bartz on the Consolidation Funding. Kellie Williams seconded the motion. Motion carried.

Next Scheduled Meeting:

October 15, 2020 via Zoom

Closed Session

- a.) *Employee Evaluation***

Adjournment: David Nilsen moved to adjourn the meeting. Luanne Uhl seconded the motion. The Regular Board of Directors Meeting of September 17, 2020, adjourned at 7:39 pm

Respectfully Submitted,

***Kellie Williams
Secretary/Treasurer Board of Directors
Sheep Creek Water Company***

Sheep Creek Water Company
4200 Sunnyslope Rd.
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Regular Board of Directors Meeting – Managers Report

October 15, 2020

PRODUCTION

- September Production- 60.23 AF- 8% increase from 2019 & 40% decrease from 2013
- September Usage- 55.59 AF sold- 11% increase from 2019 & 34% decrease from 2013

Well soundings & production for the past month:

- Static Water Levels at this time have had a minimal change.
 - Well 2A** Compared to 1 year ago, static level is down 2.34 feet- 336 gpm
 - Well 3A** Compared to 1 year ago, static level is up 11.55 feet- 321 gpm
 - Well 4A** Compared to 1 year ago, static level the same- 332 gpm
 - Well 5** Compared to 1 year ago, static level is down 4.62 feet- 289 gpm
 - Well 8** Compared to 1 year ago, static level is down 2.31 feet- 333 gpm
 - Tunnel** the Tunnel flow is currently averaging 133 gpm
- Well 3A & 5 are running an average of 8-12 hours a day.
- Total Pumping capacity as of October 9, 2020 is 1,995 gpm.
- Current usage is averaging 700,000 gpd
- **Allotment Tier 1 – First share on account remain 750 CF/Share and Remaining shares 150 CF/Share. \$0.50 per hcf**
- **Allotment Tier 2 – 150 CF/Share all shares after Tier 1 \$3.46 per hcf**
- **Tier 3 Overage- No Allotment \$6.32 per hcf**

Work Completed or in Progress

- Work orders as office requests
- Well Soundings- By-weekly
- System Weed Abatement
- 6 Meter Upgrades
- 2 Mainline Leaks/ 2- Service Line Leaks
- Hydrant & Valve Replacement Project- Valle Vista & Yucca Terrace- Material Ordered
- Emergency Generator Service & Tested
- SWRCB Asset Management Plan- In Progress
 - Information to Engineer- Completed
 - Fire Hydrant Mapping- Completed
 - Gate Valve Mapping- In Progress
- Source Capacity Project-
 - Environmental Compliance Complete
 - Well Drilling on hold due to consolidation opportunity
- PPHCSD Consolidation
 - Meetings with PPHCSD, SWRCB DFA, Sacramento State- Office of Water Programs
 - Office of Water Programs to provide the necessary Technical Assistance for Grant
 - IEC to be Engineering Firm to work with PPHCSD, SCWC, OWP

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System Recommendations to consolidate the SCWC system with PPHCSD

1. Water Rights- Shares
2. New Well- 750 GPM
 - a. Needed to meet existing MDD for Sheep Creek
3. Possible System Connections-
 - a. Johnson Rd North of Goss Rd
 - b. Smoke Tree Rd between Nugget Rd west toward Beekley Rd
 - c. Phelan Rd between Lebec Rd west to Mango Rd
 - d. Sunnyslope Rd & Sheep Creek Rd (possible)
 - e. Zone G
4. Tank Rehabilitation-Last Inspection November 2019
 - a. Tank 2- Bolted 428,000 gallon
 - b. Tank 3- Bolted 210,000 gallon
 - c. Tank 4- Bolted 428,000 gallon
 - d. Tank 5- Bolted 147,000 gallon
 - e. Tank 6- Bolted 912,000 gallon
 - f. Tank 7- Welded 1,000,000 gallon
5. Well Rehabilitation
 - a. Well 4A installed 2004
 - b. Well 5 rehabilitated 2014/15
 - c. Well 8 installed 2005
6. Dead End Line Connections
 - a. 27 locations with no proper flushing ability
7. System Meter Replacements to match PPHCSD billing meter system
8. System SCADA Controls
 - a. 7 Tanks- 4 sites
 - b. 6 Wells- 2 sites
 - c. 3 Regulator Stations
9. Water Main Replacement for Fire Flow Purposes
 - a. Sheep Creek Rd- 750' north of Lindero Rd to Smoketree Rd
 - i. 3,960' 8" C900
 - ii. 1- CLA-VAL Station
 - b. Sierra Vista Rd- 660' north of Lindero Rd to 100' south of Smoketree Rd
 - i. 3,960' 8" C900

- ii. 1- CLA-VAL Station
 - iii. Eliminate 3,960 of old 4" steel pipe with dead ends
- c. Phelan Rd- Riggins Rd east to Valle Vista Rd
 - i. 1,320' 8" C900
 - ii. 1- CLA-VAL Station
- d. Yucca Terrace Dr- Sheep Creek Rd east to Monte Vista Rd
 - i. 3,960' 8" C900
- e. Yucca Terrace Dr- Johnson Rd east 500'
 - i. 500' 8" C900
 - ii. Eliminate one dead end
 - iii. Increase flow to east side
- f. Nielson Rd- Sheep Creek Rd east to Johnson Rd
 - i. 5,280' 8" C900
 - ii. Eliminate one dead end
 - iii. Increase flow to all directions of the system

10. Equipment

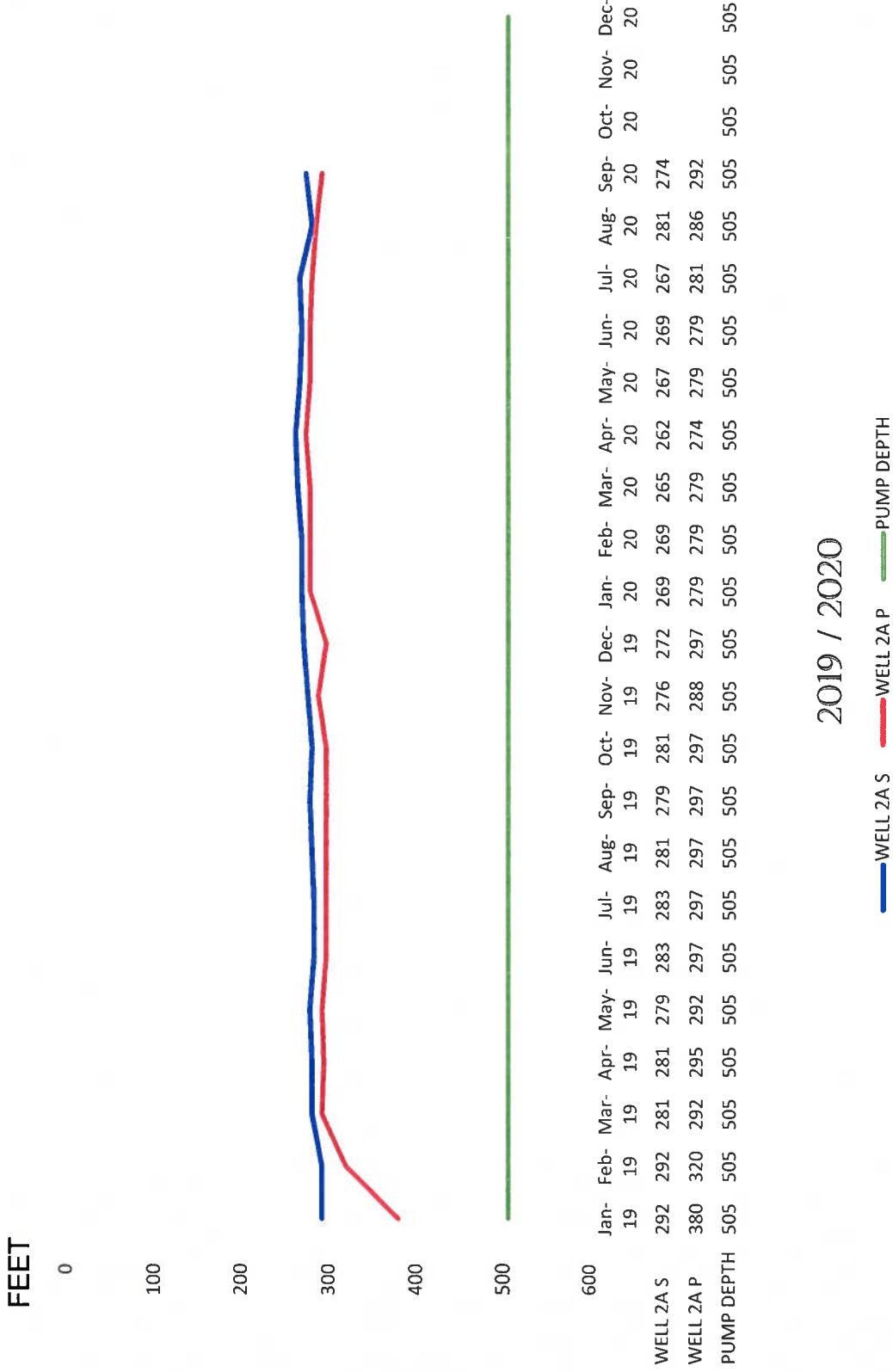
- a. Backup Generation- SCWC owns a 150 KW Generator (Tier 1 engine AQMD Permit may not transfer)

AVERAGE GALLONS PER MINUTE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
2020													Compare 2019
Tunnel	26%	43%	40%	56%	51%	53%	62%	50%	55%	-100%	-100%	-100%	
Well # 2A	123	122	122	123	127	131	133	133	133				
Well # 3A	250	279	262	306	286	292	344	339	336				
Well # 4A	0	312	324	327	318	311	347	321	321				
Well # 5	272	292	250	319	292	302	372	350	332				
Well # 8	305	309	327	314	319	307	318	289	289				
Well # 11	270	284	295	367	367	348	322	322	333				
TOTAL G	1,471	1,849	1,831	2,007	1,960	1,961	2,070	2,060	1,995	0	0	0	Compare 2018
2019													
Tunnel	26%	-2%	0%	3%	13%	61%	155%	166%	155%	154%	70%	83%	
Well # 2A	107	109	112	119	124	123	123	128	128	126	125	124	
Well # 3A	150	208	207	170	179	189	182	158	172	204	186	229	
Well # 4A	148	186	194	186	186	167	167	167	0	0	0	0	Pump Pulled 9-19
Well # 5	174	179	185	189	167	167	167	179	207	207	207	312	
Well # 8	155	168	170	173	165	197	196	231	270	283	290	299	
Well # 11	181	193	193	198	198	192	258	258	259	242	285	263	
TOTAL G	1,166	1,294	1,312	1,286	1,297	1,282	1,278	1,372	1,287	1,313	1,344	1,478	Compare 2017
2018													
Tunnel	131	129	127	125	125	124	122	119	118	118	118	116	
Well # 2A	0	150	175	135	125	30	30	30	25	25	30	30	
Well # 3A	115	211	122	195	167	33	25	25	25	25	25	25	
Well # 4A	199	213	251	194	168	99	60	60	60	60	60	60	
Well # 5	286	289	297	279	274	278	124	119	124	128	138	147	
Well # 8	320	335	337	317	284	205	141	161	152	161	167	179	
Well # 11	0	0	0	0	0	0	0	0	0	0	251	251	
TOTAL G	1,051	1,317	1,309	1,245	1,143	794	502	516	505	517	789	808	
2017													
Tunnel	147	145	147	148	147	147	140	137	136	136	136	134	
Well # 2A	214	274	0	0	0	50	50	50	107	107	0	0	
Well # 3A	330	330	345	295	301	280	180	143	115	115	115	115	
Well # 4A	370	333	333	253	253	200	144	115	115	130	154	184	
Well # 5	353	372	372	353	353	280	257	238	244	258	275	275	
Well # 8	333	361	367	358	350	342	310	278	256	266	288	308	
TOTAL G	1,747	1,815	1,564	1,409	1,404	1,372	1,163	1,012	968	998	951	1,016	Pump Pulled 11-17
2016													
Tunnel	184	182	177	176	170	168	165	162	159	157	154	150	
Well # 2A	381	500	559	534	468	213	44	38	38	44	111	167	
Well # 3A	537	646	530	635	610	225	28	31	90	114	183	286	
Well # 4A	659	729	556	478	439	193	94	52	132	157	267	333	
Well # 5	461	468	463	471	438	381	120	163	192	218	305	353	
Well # 8	458	476	438	433	444	365	248	194	217	254	297	326	
TOTAL G	2,680	3,001	2,723	2,727	2,569	1,545	699	640	828	945	1,317	1,615	
2015													
Tunnel	256	253	248	203	203	214	210	204	201	196	193	189	
Well # 2A	0	749	625	573	533	537	524	491	418	417	439	479	
Well # 3A	693	680	678	705	652	641	631	613	591	586	594	583	
Well # 4A	883	905	818	759	881	697	639	625	625	625	625	875	
Well # 5	551	551	547	537	513	497	488	471	451	452	459	460	
Well # 8	463	454	465	460	444	467	467	333	361	361	333	405	
TOTAL G	2,846	3,592	3,381	3,237	3,226	3,053	3,017	2,751	2,647	2,637	2,643	2,991	
2014													
Tunnel	303	299	294	291	287	283	279	276	273	268	265	260	
Well # 2A	1,156	1,156	1,156	1,148	1,015	985	886	733	688	630	630	0	Nov- Pump Pulled
Well # 3A	617	617	617	641	706	685	685	652	619	637	657	679	
Well # 4A	883	883	898	919	882	851	772	903	667	667	760	760	
Well # 5	317	317	317	326	326	259	259	310	301	301	306	0	Oct- Pump Pulled
Well # 8	505	506	499	496	485	471	450	463	406	459	438	438	
TOTAL G	3,781	3,778	3,790	3,821	3,634	3,534	3,309	3,337	2,954	2,967	2,120	2,137	

SHEEP CREEK WATER COMPANY

WELL #2A Monthly Water Levels / 2 years

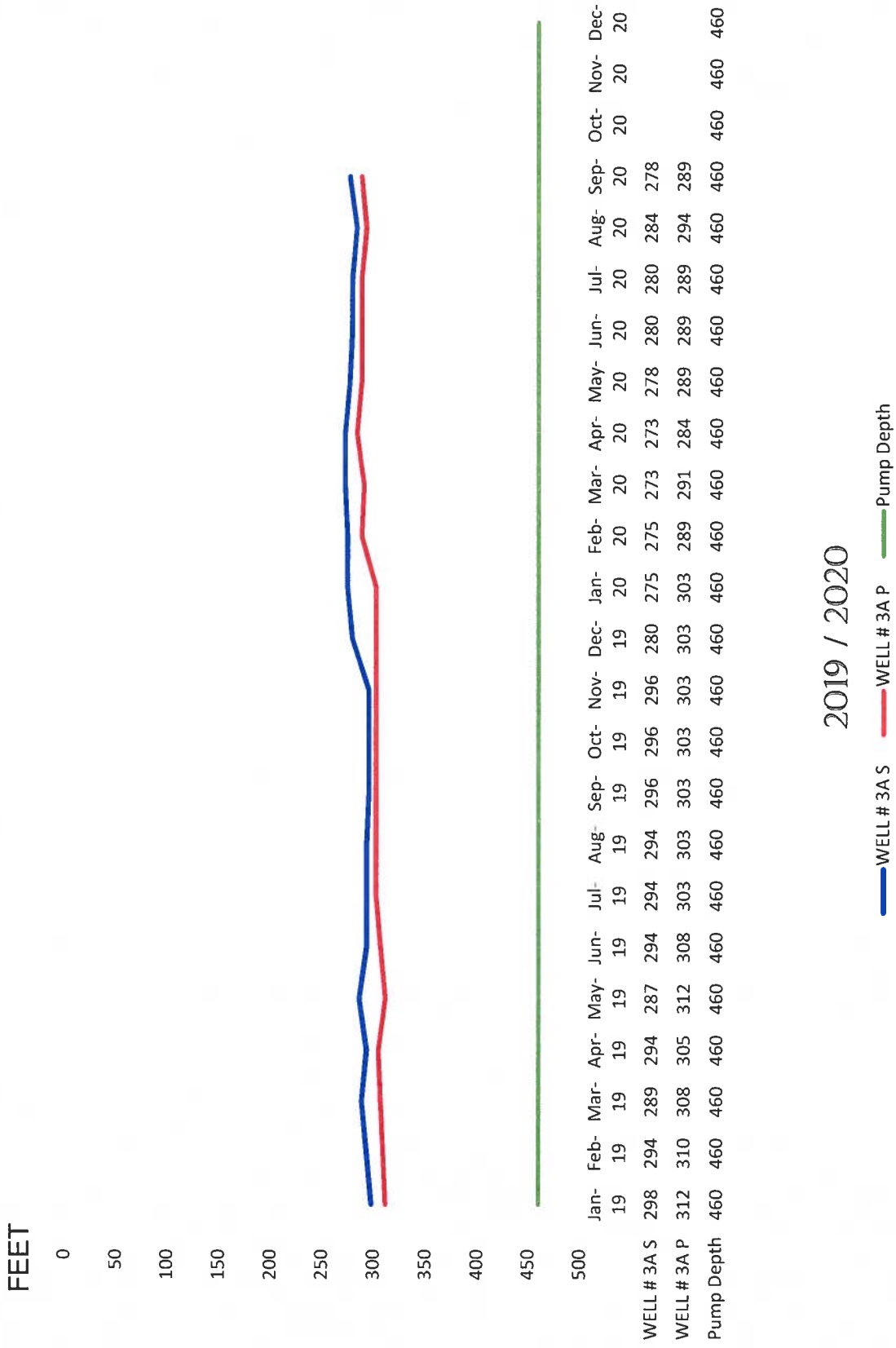


2019 / 2020

— WELL 2A S — WELL 2A P — PUMP DEPTH

SHEEP CREEK WATER COMPANY

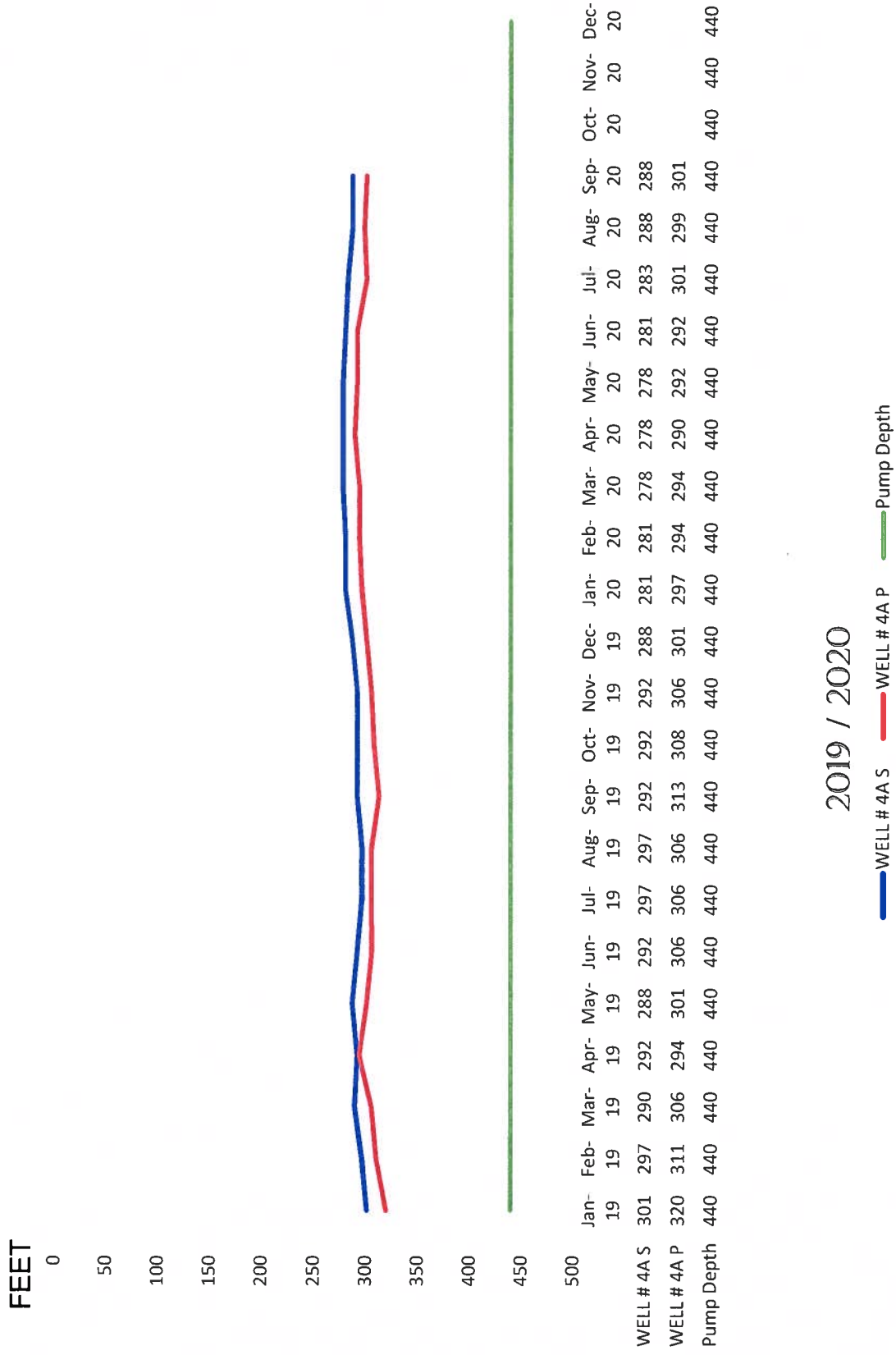
WELL #3A Monthly Water Levels / 2 years



2019 / 2020

SHEEP CREEK WATER COMPANY

WELL #4A Monthly Water Levels / 2 years

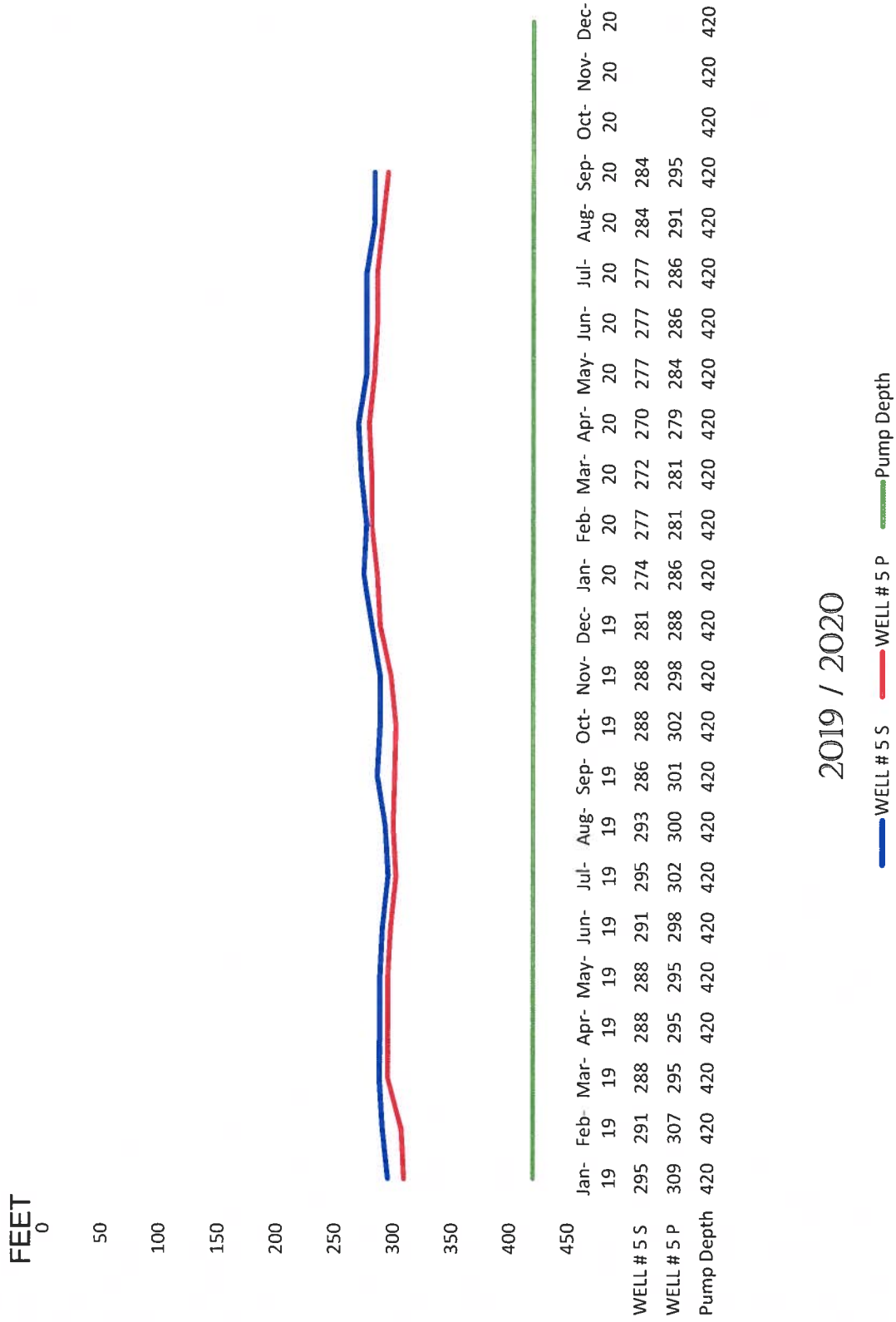


2019 / 2020

— WELL # 4A S
 — WELL # 4A P
 — Pump Depth

SHEEP CREEK WATER COMPANY

WELL #5 Monthly Water Levels / 2 years

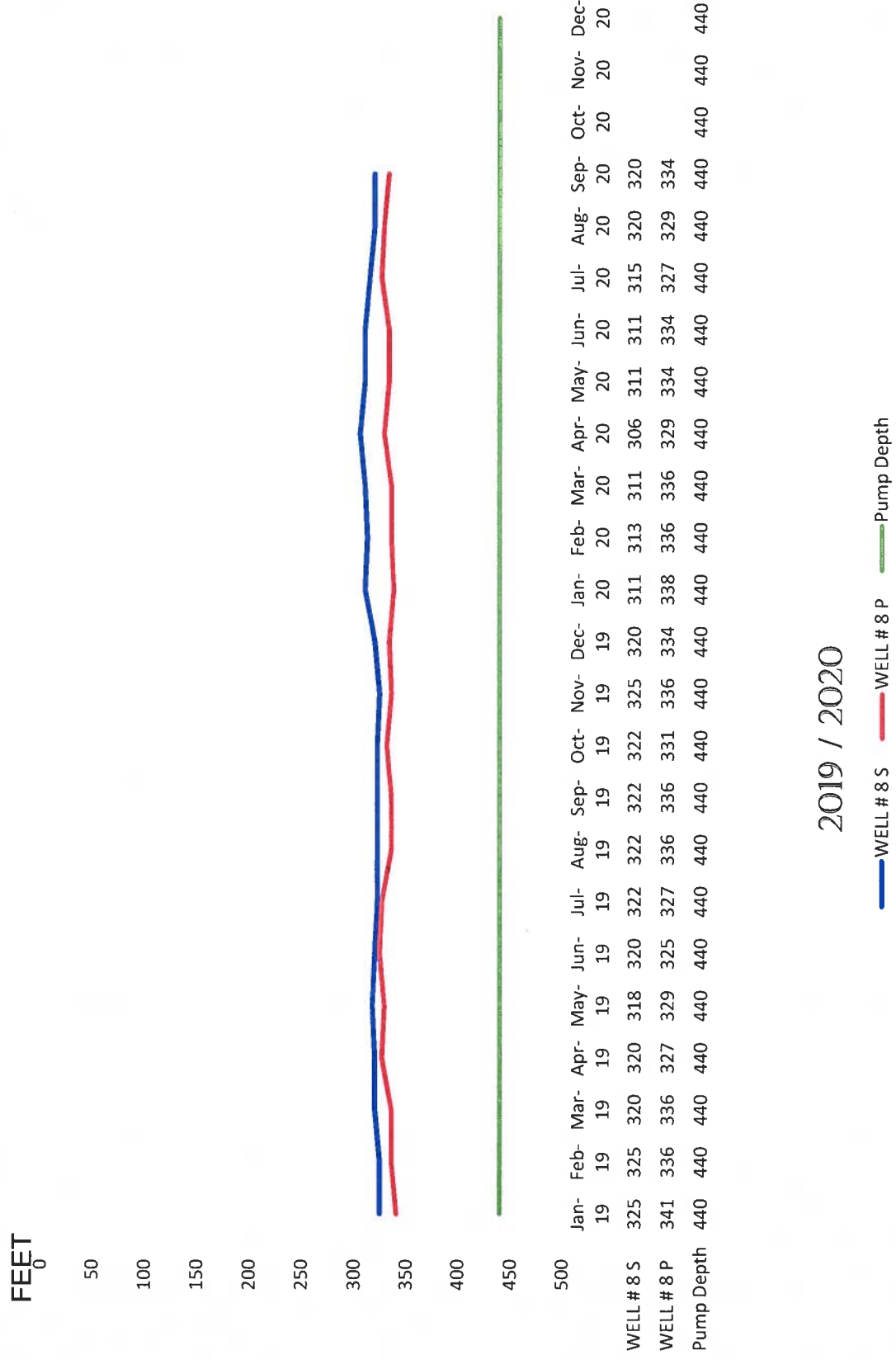


2019 / 2020

— WELL # 5 S
 — WELL # 5 P
 — Pump Depth

SHEEP CREEK WATER COMPANY

WELL #8 Monthly Water Levels / 2 years

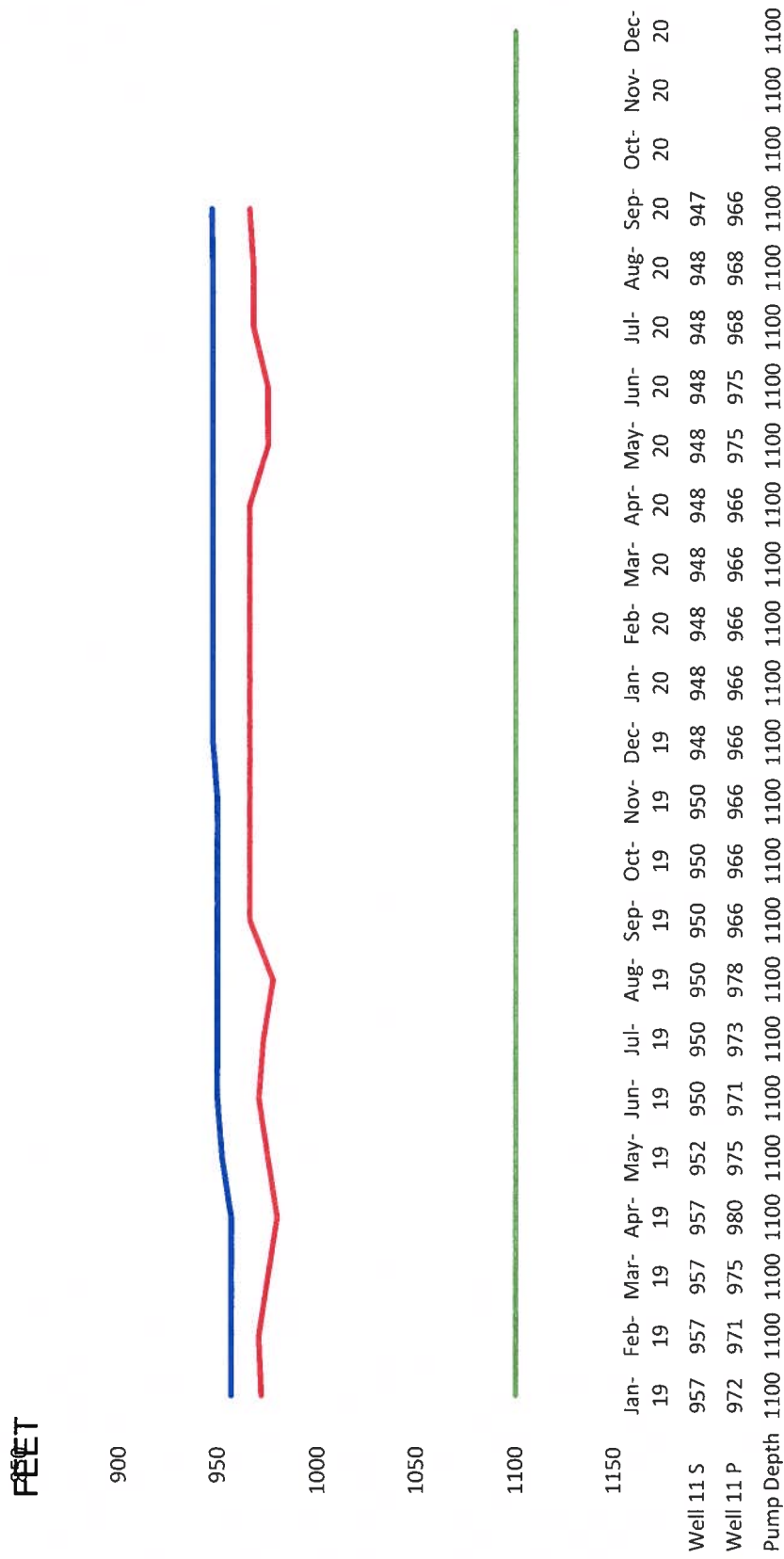


2019 / 2020

— WELL # 8 S
 — WELL # 8 P
 — Pump Depth

SHEEP CREEK WATER COMPANY

WELL #11 Monthly Water Levels / 2 years

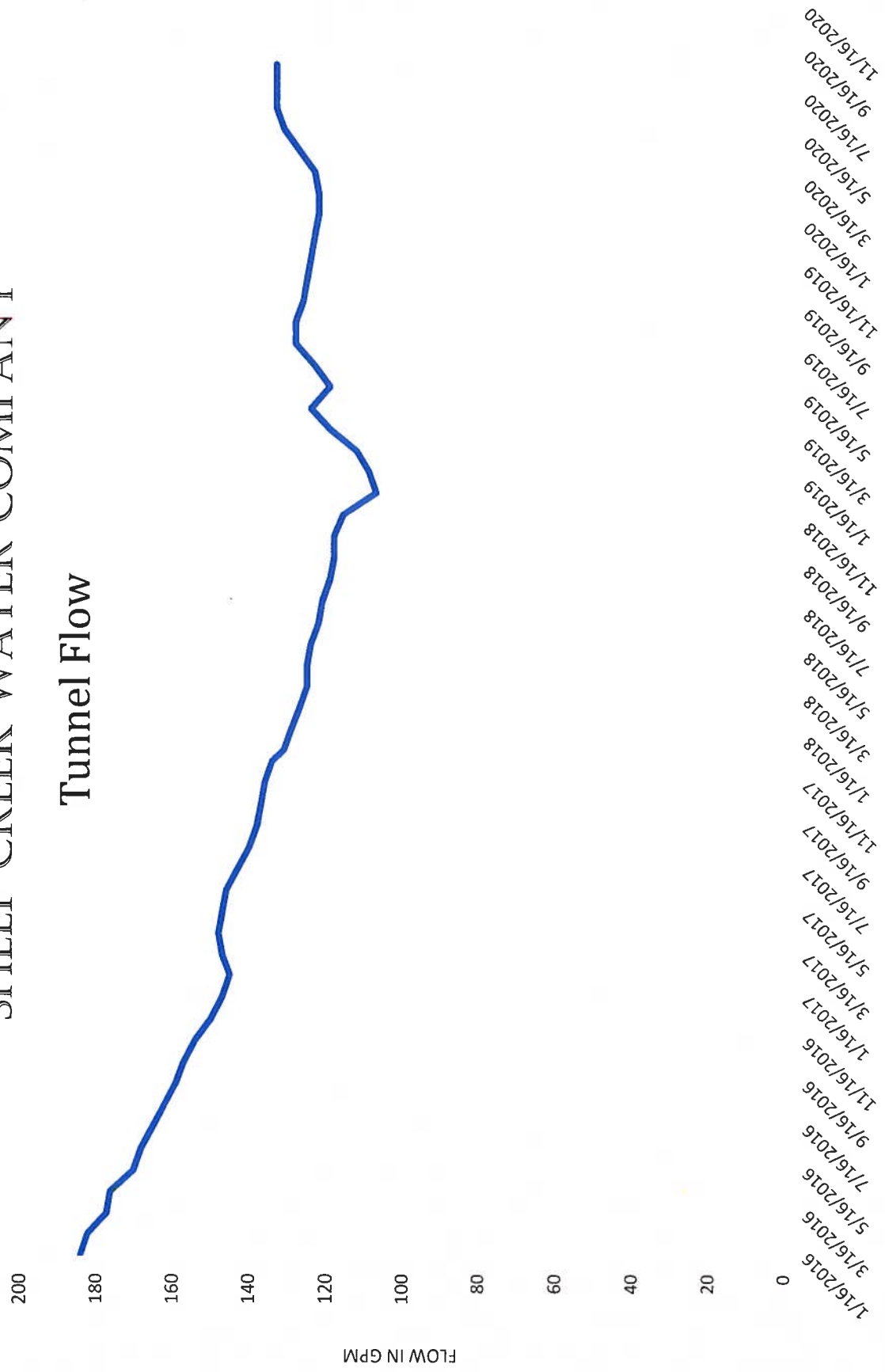


2019 / 2020

— Well 11 S
 — Well 11 P
 — Pump Depth

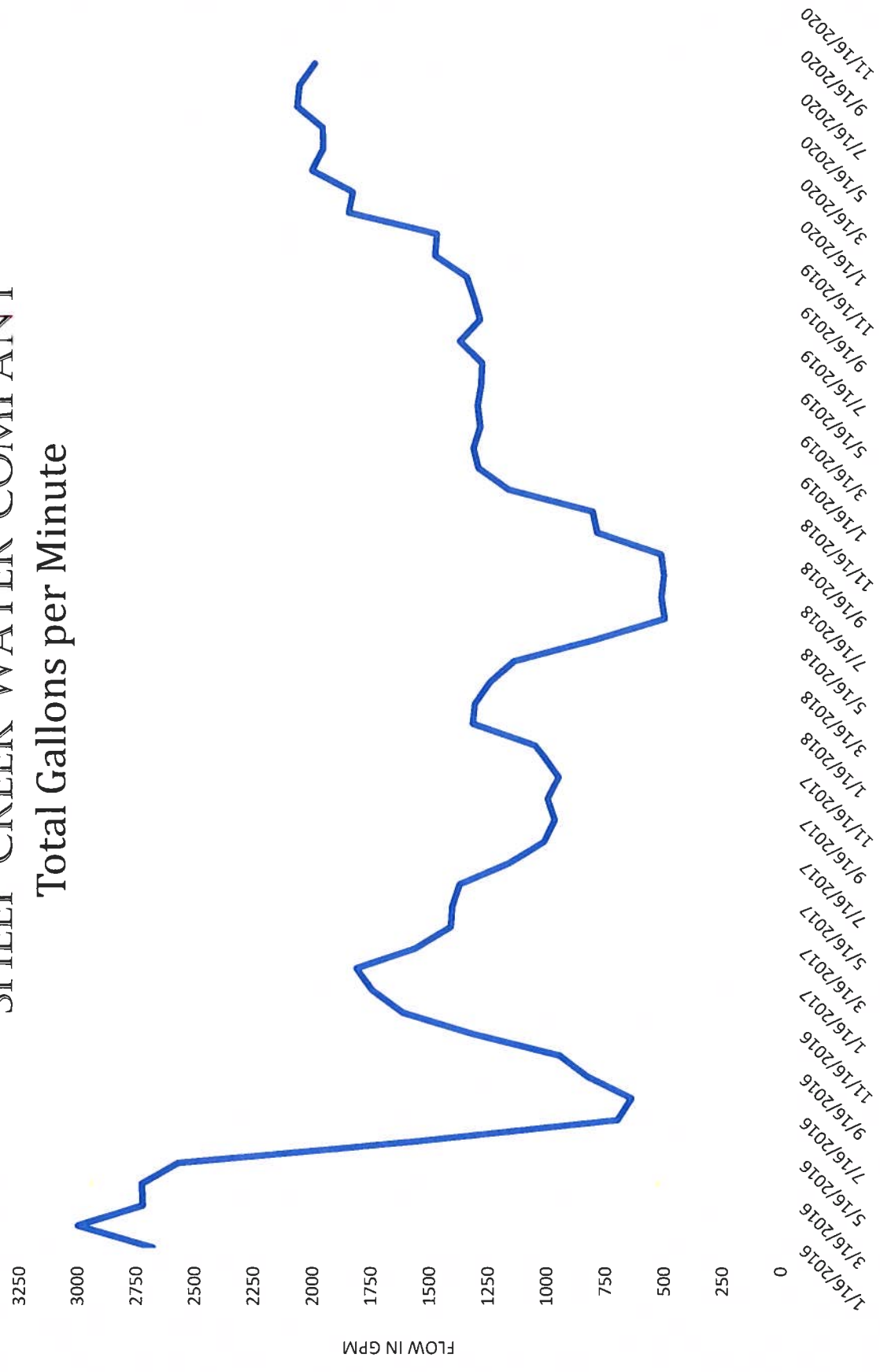
SHEEP CREEK WATER COMPANY

Tunnel Flow

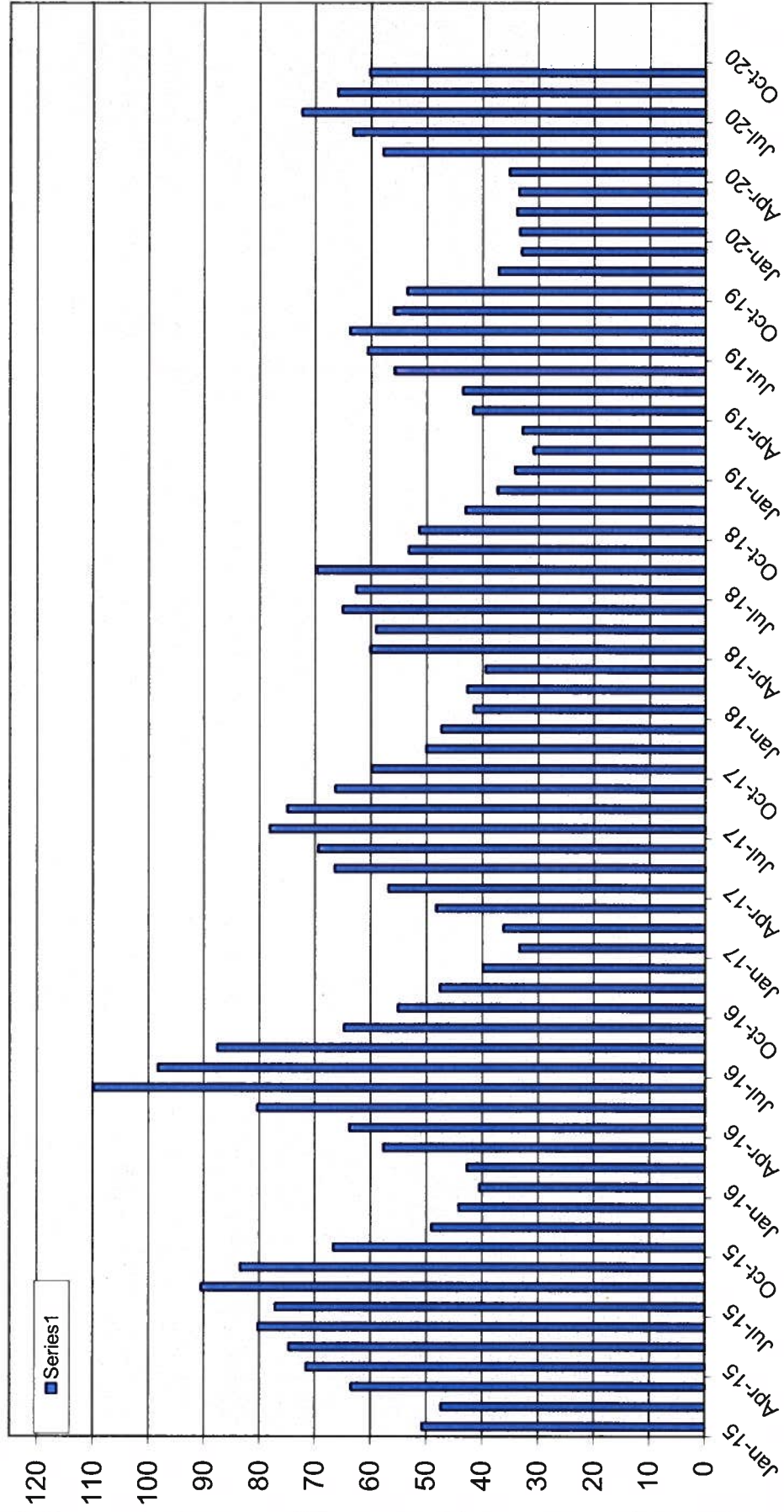


SHEEP CREEK WATER COMPANY

Total Gallons per Minute



SHEEP CREEK WATER COMPANY WATER PRODUCTION ACRE FEET



2015- 2020