

***SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
September 17, 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/83912493551?pwd=bXFPRWlVeUFpSDZydkpwN0xhSkduZz09>
Meeting ID: 839 1249 3551
Passcode: 686071

One tap mobile

+16699006833,,83912493551#,,,,,,0#,,686071# US (San Jose)

Dial-In

(669) 900-6833
Meeting ID: 839 1249 3551
Passcode: 686071

AGENDA

- 1) **Open Meeting- 6:30 PM**
 - a. Flag Salute
 - b. Invocation
- 2) **Consent Motions**
 - a. Minutes:
 - i. *Regular Board of Directors Meeting- August 13, 2020*
 - b. Bills:
 - i. *August 13, 2020 through September 17, 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) **Presentation**
 - a. Don Bartz (PPHCSD)- Consolidation Funding Opportunities

5) Old Business

- a. System Update
- b. Source Capacity Project Update
- c. SWRCB Updated Compliance Order NO.05-13-18R-002A1

6) New Business

- a. Jason Hong- Meter Service Reimbursement Request
- b. Consolidation Opportunities with PPHCSD
 - i. Resolution to Enter Into Negotiations For Consolidation
 - ii. Letter of Intent

7) Next Scheduled Meeting

- a. October 15, 2020 via Zoom

8) Closed Session

- a. Employee Evaluation

9) Adjournment

SHEEP CREEK WATER COMPANY
Regular Board of Directors Meeting
August 13, 2020 ~ 6:30pm
Sheep Creek Water Company ~ Board Room via Zoom
4200 Sunnyslope Road, Phelan, CA 92371

The Regular Board of Directors Meeting of August 13, 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, Vice President Bob Howard and were present with Secretary/Treasurer Kellie Williams, Director David Nilsen and Director Luanne Uhl present via Zoom Meeting.

Staff Present: General Manager Chris Cummings

Guests Present: Shareholder - Diane Hayball, Michael Palecki, with the Mountaineer Progress and Guest - Charlie Johnson, and Carmen were present at tonight's meeting, via Zoom.

Consent Motions:

Minutes: *Regular Board of Directors Meeting ~ July 16, 2020*

Bills: *July 16, 2020 through August 13, 2020*

Manager's Report: Included in Directors Packets

Bob Howard made a motion to accept the Consent Motions as presented. David 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.

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 5-14 feet higher than this time last year. Well 2A and 4A are running daily, averaging 8-12 hours a day along with Well 11 running periodically. Water usage is averaging 800,000 gallons per day. The Tunnel has slightly increased, averaging 135 gallons per minute.

b.) *Source Capacity Project Update:* San Bernardino County circulated the Notice of Availability/Notice of Intent to adopt a Draft Initial Study/Mitigated Negative Declaration for the 30 review period which ended on August 2, 2020. There were no comments submitted. Tom Dodson will submit the Notice of Determination and Mitigation Monitoring & reporting Program to the Clerk of the Board.

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

Directive 2.a- Financial Review- Chris has been working with Matt Miller with Silva & Silva CPA's. Matt is near complete with the Financial Review of the system as required by the Updated Compliance Order. The review has shown that the company has been increasing revenues by implementing the tiered water rate structure which is also increasing our reserve accounts.

Directive 2.b- Asset Management Plan- Proposal's to have the asset management plan (AMP) is on New Business for approval.

New Business:

a.) Asset Management Plan: The SWRCB Updated Compliance Order, required Sheep Creek to complete an asset management plan. The AMP must include an inventory of the System's infrastructure components, a description of the components' condition, age, service history, and useful life, criteria to determine when to repair, rehabilitate or replace assets, a prioritization of critical assets, long term funding strategies and a timeline delineating the schedule for the System's asset management plan. Included in the plan will be engineering replacement cost alongside the cost of using Sheep Creek resources. The scope of work will be rather large due to limited reports of the system, maps/drawings, and records that are available but will be needed to complete the plan. Once it is complete, it will be an excellent resource for Sheep Creek moving forward with needed maintenance and replacement in the future. Two 2 bids were received for the completion of the Asset management Plan.

The first bid was submitted from ERSC with an amount not to exceed \$102,225. The bid is based on time and material.

The second bid was submitted from IEC with an amount not to exceed \$49,700. The bid is based on time and material.

Kellie Williams moved to accept the Asset Management Plan submitted from IEC as presented. Luanne Uhl seconded the motion. Motion carried.

Next Scheduled Meeting:

September 17, 2020

Adjournment: Bob Howard moved to adjourn the meeting. Kellie Williams seconded the motion. The Regular Board of Directors' meeting of August 13, 2020 was adjourned at 6:51 PM.

Respectfully Submitted,

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

Sheep Creek Water Company
4200 Sunnyslope Rd.
P.O. Box 291820
Phelan, CA 92329-1820
Office (760) 868-3755/Fax (760) 868-2174
Email sheepcreek@verizon.net / www.sheepcreekwater.com

Regular Board of Directors Meeting – Managers Report

September 17, 2020

PRODUCTION

- August Production- 65.96 AF- 4% increase from 2019 & 44% decrease from 2013
- August Usage- 55.61 AF sold- 1% increase from 2019 & 44% 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 the up 9.24 feet- 339 gpm
 - Well 3A** Compared to 1 year ago, static level is up 11.55 feet- 347 gpm
 - Well 4A** Compared to 1 year ago, static level is up 9.24 feet- 350 gpm
 - Well 5** Compared to 1 year ago, static level is up 9.24 feet- 318 gpm
 - Well 8** Compared to 1 year ago, static level is up 6.93 feet- 322 gpm
 - Tunnel** the Tunnel flow is currently averaging 133 gpm
- Well 3A & 5 are running an average of 8-12 hours
- Total Pumping capacity as of September 11, 2020 is 2,060 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
- Concrete pads around fire hydrants- 7 completed- Project ongoing
- 6 Meter Upgrades
- 1 Mainline Leaks/ 1- Service Leak
- Hydrant & Valve Replacement Project- Valle Vista & Yucca Terrace- In Progress
- Emergency Generator Service & Tested
- Compliance sent to the SWRCB
 - Directive 2a- Financial Review by CPA- Completed
 - Directive 2b- Asset Management Plan- In Progress
 - Directive 2c- Well 11 Operational Cost- Completed
 - Directive 2d- Financial Assessment Questionnaire- Completed
- Source Capacity Project-
 - Notice of Determination filed with the State Clearing House
 - Mitigation, Monitoring Reporting Plan submitted to SB County
 - Project Line of Credit- Completed and Available
 - Prepare drilling plan- In progress

Filed On: 8/13/2020
Remove On: 9/25/2020
36-08132020-443

Notice of Determination

To:

☒ Office of Planning and Research

U.S. Mail:

P.O. Box 3044

Sacramento, CA 95812-3044

Street Address:

1400 Tenth St., Rm 113

Sacramento, CA 95814

From:

Public Agency: San Bernardino County, LUSD

Address: 15900 Smoke Tree Street, Suite #131,
Hesperia, CA 92345-0187

Contact: Magda Gonzalez, Senior Planner

Phone: 760-995-8150

☒ Clerk of the Board

County of: San Bernardino

Address: 385 North Arrowhead Avenue, Second Floor
San Bernardino, CA 92415-0130

Lead Agency (if different from above):

Address:

Contact:

Phone:

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): SCH#2020070042

Project Title: Sheep Creek Water Company – Six Groundwater Production Wells

Project Applicant: Sheep Creek Water Company

Project Location (include county): 4200 Sunnyslope Road; Northwest corner of Sheep Creek Road and Nielson
Road; Southeast corner of Cambria Road and Mescalero Road, all in Phelan within San Bernardino County.

Project Description:

Environmental Review Unrelated to Planning Project for six (6) proposed groundwater production wells to increase Sheep Creek Water Company's (SCWC) potable water supply in compliance with the State Water Resources Control Board's Compliance Order No. 05-13-18R-002. The wells are to be located on three different parcels; four (4) wells will run concurrently while the other two (2) will serve as backup wells. The wells will each be equipped with an above ground pump motor on top of an approximate 10-foot x 10-foot concrete pad. At each new well, the new pumps will be enclosed with a masonry block building to minimize exterior noise levels at the nearest residences (about 200 feet from each well site). To minimize onsite water consumption no new landscaping will be installed at any of the three well sites. At each of the well locations, the closest connection to SCWC's system is within the adjacent roadways. Each well will be drilled to approximately 1,500 feet deep using a reverse rotary drill unit.

This is to advise that the San Bernardino County has approved the
above ☒ Lead Agency or ☐ Responsible Agency)

described project on August 13, 2020 and has made the following determinations regarding the
above (date)
described project.

1. The project [☐ will ☒ will not] have a significant effect on the environment.
2. ☐ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA. ☒
A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [☒ were ☐ were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [☒ was ☐ was not] adopted for this project.
5. A statement of Overriding Considerations [☐ was ☒ was not] adopted for this project.
6. Findings [☒ were ☐ were not] made pursuant to the provisions of CEQA.

This is to certify that the final IS and record of project approval, and the Mitigated Negative Declaration are
available to the General Public at:

15900 Smoke Tree Street, Suite #131, Hesperia, CA 92345

Signature (Public Agency):

Magda Gonzalez
Magda Gonzalez

Title: Senior Planner

Date: 8/13/2020

Date Received for filing at OPR: _____



State of California - Department of Fish and Wildlife
2020 ENVIRONMENTAL FILING FEE CASH RECEIPT
DFW 753.5a (REV. 12/01/19) Previously DFG 753.5a

Print

Start Over

Finalize & Email

RECEIPT NUMBER:

36 — 08132020 — 443

STATE CLEARINGHOUSE NUMBER (If applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY

San Bernardino County, LUSD

LEAD AGENCY EMAIL

DATE

08132020

COUNTY/STATE AGENCY OF FILING

San Bernardino

DOCUMENT NUMBER

PROJECT TITLE

Sheep Creek Water Company - Six Groundwater Production Wells

PROJECT APPLICANT NAME

San Bernardino County, LUSD

PROJECT APPLICANT EMAIL

PHONE NUMBER

(760) 995-8150

PROJECT APPLICANT ADDRESS

15900 Smoke Tree Street, Suite #131

CITY

Hesperia

STATE

CA

ZIP CODE

92345-0187

PROJECT APPLICANT (Check appropriate box)

☒ Local Public Agency

☐ School District

☐ Other Special District

☐ State Agency

☐ Private Entity

CHECK APPLICABLE FEES:

☐ Environmental Impact Report (EIR)

\$3,343.25

\$

0.00

☒ Mitigated/Negative Declaration (MND)(ND)

\$2,406.75

\$

2,406.75

☐ Certified Regulatory Program (CRP) document - payment due directly to CDFW

\$1,136.50

\$

0.00

☐ Exempt from fee

☒ Notice of Exemption (attach)

☐ CDFW No Effect Determination (attach)

☐ Fee previously paid (attach previously issued cash receipt copy)

☐ Water Right Application or Petition Fee (State Water Resources Control Board only)

\$850.00

\$

0.00

☒ County documentary handling fee

\$

50.00

☐ Other

\$

PAYMENT METHOD:

☐ Cash

☐ Credit

☒ Check

☐ Other

TOTAL RECEIVED

\$

2,456.75

SIGNATURE

X

K. Schram

AGENCY OF FILING PRINTED NAME AND TITLE

Kari Schram, Deputy Clerk

Sheep Creek Water Company
4200 Sunnyslope Rd.
P.O. Box 291820
Phelan, CA 92329-1820
Office (760) 868-3755/Fax (760) 868-2174
Email sheepcreek@verizon.net / www.sheepcreekwater.com

August 17, 2020

Eric J. Zuniga, P.E.
District Engineer
San Bernardino District
Southern California Field Operations Branch
464 W. 4th Street #437
San Bernardino, CA 92401
Eric.Zuniga@waterboards.ca.gov

RE: Compliance Order NO 05-13-18R-002A1;
Request for Extension of Time for Directive 2b

Dear Mr. Zuniga:

This letter is in regards to a request for an extension of time to complete Directive 2b of Compliance Order NO 05-13-18R-002A1. Directive 2b is the requirement for the system to complete an Asset Management Plan (AMP) with a date due August 31, 2020. Sheep Creek Water Company (SCWC) received Updated Compliance Order NO 05-13-18R-002A1 on March 17, 2020 at which time the State of California was issuing Stay at Home orders and businesses were shutting down due to COVID-19.

SCWC discussed with several firms to have the AMP completed and was able to obtain one proposal on July 9, 2020 from ERSC to complete the AMP at a cost of \$122,776 with optional task bring the cost up to \$250,884. Due to the high cost, the Board of Directors requested an additional proposal. On August 4, 2020 ERSC submitted a revised proposal in the amount of \$102,225 with optional items totaling \$225,600. A second proposal was also submitted on August 9, 2020 from IEC with an amount of \$49,700. IEC was the engineering firm that completed the Feasibility Study that was required by Compliance Order NO 05-13-18R-002 in August 2018. During the Regular Board of Directors meeting on August 13, 2020 the Board approved the proposal submitted by IEC to complete the AMP.

With the slow down due to COVID-19 and the required time to complete an AMP, SCWC is formally requesting an extension of time to complete the AMP. SCWC is requesting an extension of six (6) months to complete and submit the required AMP. IEC has an estimated timeline of five (5) months to complete the plan once work begins.

Included with this letter of request for extension of time, both proposals from engineering firms ERSC and IEC. Please accept this letter as a formal request that the State Water Resource Control Board grant Sheep Creek Water Company up to six (6) additional months to complete and submit the requested AMP. I thank you for your time and consideration. If you have

additional questions regarding this letter please let me know, otherwise I look forward to your response.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Chris Cummings', with a stylized flourish at the end.

Chris Cummings
General Manager
Sheep Creek Water Company

cc: Sean McCarthy Sean.McCarthy@waterboards.ca.gov
Hector Cazares Hector.Cazares@waterboards.ca.gov

SILVA & SILVA

CERTIFIED PUBLIC ACCOUNTANTS

Rudolph F. Silva, CPA
Lisa D. Silva, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Governing Board
Sheep Creek Water Company
Phelan, California

We have performed the procedures described in Schedule A, which were agreed to by Sheep Creek Water Company (the specified parties), on the financial health for the period ended December 31, 2019. The management of Sheep Creek Water Company (the System) is responsible for providing finance and accounting data use for evaluating and compiling specific exhibits as of December 31, 2019, as they relate to Compliance Order No. 05-13-18 R-002A1 Source Capacity Violation issued by the State Water Board. The sufficiency of these procedures is solely the responsibility of the Sheep Creek Water Company. Consequently, we make no representation regarding the sufficiency of the procedures referred to below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are described in *Schedule A*.

This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of Sheep Creek Water Company, which would be the expression of an opinion or conclusion, respectively, on the financial statements of as of December 31, 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and is not intended to be and should not be used by anyone other than these specified parties. This report relates only to the State Water Board directive per Section 116530 of the California Health and Safety Code, and items specified above and does not extend to any financial statements of Sheep Creek Water Company, taken as a whole.



Brea, California
August 25, 2020

Schedule A

The following procedures were completed over the Sheep Creek Water Company per Section 116530 of the California Health and Safety Code.

1. Overall evaluation of the financial health of the System using the past five years Accountant's Compilation Report Balance Sheet and Statement of Income and Expenses.

Results

- a. Worksheet presented below demonstrates the system's ability to maintain consistent fee structures that are fiscally sound to manage operating expenses. For the five-year period from 2015 through 2019, revenues increased by 66% compared with expenses by 59%. Actual water consumption to fees collect is showing reduced water usage of 83% over the same five-year period. Additionally, during 2018 the system implemented a Tier rate structure that has improved fiscal health while enhancing responsible water usage.
- b. Cash on hand ratios shows the System has maintained a range of 45 days to 251 days at December 31 date for the five years (2015 to 2019). Additionally, the system has met current payments to vendors on a timely basis.
- c. Additionally, working capital ratio has remained positive over the years. Only one situation was noted when unusual legal costs were paid by installments.

Summarized below are the past five fiscal years ended December 31:

	2019	2018	2017	2016	2015
Cash	\$ 282,176	\$ 449,371	\$ 592,015	\$ 296,629	\$ 89,012
Accounts receivable	230,724	25,962	149,940	44,864	113,693
Inventory	121,509	116,972	99,531	90,737	84,015
Other Assets	222	27,852	21,926	19,787	22,576
Total Current Assets	634,631	620,157	863,412	452,017	309,296
Property and Equipment	12,020,121	11,779,704	10,651,005	10,491,235	10,264,992
Less: Accumulated Depreciation	(5,963,007)	(5,681,816)	(5,525,773)	(5,287,175)	(5,025,021)
Total Assets	\$ 6,691,745	\$ 6,718,045	\$ 5,988,644	\$ 5,656,077	\$ 5,549,267
Day of cash on hand	92	173	251	137	45
Current Liabilities	\$ 26,748	\$ 20,506	\$ 27,463	\$ 18,960	\$ 37,648
Long-Term Liabilities	476,416	614,130	388,078	410,756	274,199
Total Liabilities	503,164	634,636	415,541	429,716	311,847
Shareholder Equity	9,763,738	9,731,144	9,234,982	9,012,100	8,989,030
Retained Earnings	(3,575,157)	(3,647,735)	(3,661,879)	(3,785,739)	(3,751,610)
Total Shareholder Equity	6,188,581	6,083,409	5,573,103	5,226,361	5,237,420
Total Liabilities and Shareholder Equity	\$ 6,691,745	\$ 6,718,045	\$ 5,988,644	\$ 5,656,077	\$ 5,549,267
Income					
Water Sales	\$ 1,283,819	\$ 1,054,592	\$ 932,810	\$ 877,459	\$ 767,227
Other income	10,672	14,855	7,374	4,833	7,384
Total Income	1,294,491	1,069,447	940,184	882,292	774,611
Expenses					
Operating expenses (excluding Depreciation)	1,117,852	945,962	860,454	790,435	726,571
Depreciation	283,506	245,841	255,928	262,155	265,443
Other expenses	1,730	821	869	800	800
Total Expenses	1,403,088	1,192,624	1,117,251	1,053,390	992,814
Net Income (Loss)	\$ (108,597)	\$ (123,177)	\$ (177,067)	\$ (171,098)	\$ (218,203)

2. Evaluation of management and outstanding debt along with impending debt because of the order.

Results

- a. Over the past five years, debt service coverage ratios have averaged above 1.10% (net income over debt payments), and all debt payments have been made in accordance with terms. The debt service payment have been for skip loader from CCH industrial for \$ 91,388 (five years starting in 2016 at 3%), Vehicles loans ranging from \$22,830 to \$52,050 (2 or 3 year terms at 4% to 5%) and Shareholder loans ranging from \$80,000 to \$400,000 (five-year terms at 5% to 6.5%). All Shareholder loans were entered into for specific projects designated by the Board of Directors.
 - b. In June 2020, the System entered into a Single Advance Term Promissory Note with average interest rate of 2.4% currently in an amount not to exceed \$410,000 to refinance the Shareholder loans into one payment. Payments will begin on July 2020 over four years at approximately \$8,900 monthly.
 - c. In June 2020, the System entered into a Multiple Advance Term Promissory Note with a variable rate at under a Converted Term Loan with 3 different Tranches starting June 20, 2021, not to exceed \$4,000,000. Payment will begin following the first June 20, 2021, date over a 20-year period. The Multiple advances will correspond to the project order dates for Wells #12, #13, #14 and #15 (starting in 2021 to 2023).
3. Evaluation of financed documentation and demonstration of how funding (new proposed fee structure) with be obtained throughout the loan terms for repayment.

Results

- a. As noted above, the system obtained a \$4 million Multiple Advance Term Promissory Note with term flexible to meet the installation of four wells as outlined in the order.
- b. The system has the following 2 options showing detailed schedules to repay the new funding over a 20-year period. The System has not conducted a vote as of this report to determine which option will be implemented.

Overall increased rates are comparable to other water agencies when comparing base fee and water usage fees combined.

Project cost per meter service (Base Rate)

Option 1

Loan Amount	Term Years	Interest Rate	Monthly P&I	Monthly Cost per	Total Cost per Meter	Cost per Day	Estimated Monthly Revenue	Estimated Annual Revenue	Estimated 20 YR Term Revenue
\$ 4,000,000.00	20	4.25%	\$ 25,000	\$ 21.01	\$ 5,042.02	\$ 0.69	\$ 25,000.00	\$ 300,000.00	\$ 6,000,000.00

Option 2

Project cost per Share (Assessment)- including collection cost

Loan Amount	Term Years	Interest Rate	Monthly P&I Payment	Annual Assessment Cost per Share	Total Cost per Share	Cost per Day	Estimated Annual Revenue	Estimated 20 YR Term Revenue
\$ 4,000,000.00	20	4.25%	\$ 25,000	\$ 39.07	\$ 781.41	\$ 0.11 per share	\$ 312,563.56 Includes Assessment Collection Cost	\$ 6,251,271.13

4. Review calculations for expected increase in operational expenses for additional wells outlined in the order.

2020	Well 11 Actual Production- Gal	SCE Billing	MWA Fees	Well Maintenance	Total Well 11 Cost to Run	per HCF Pumped	
JAN	\$ -	\$ 211.89	\$ -	\$ -	\$ 211.89	\$ -	
FEB	180,788.00	1,720.55	360.58	181.27	2,262.40	9.36	Installation of new controls & Testing
MAR	72,700.00	1,527.25	145.00	72.89	1,745.14	17.96	
APR	399,000.00	2,045.30	795.80	400.07	3,241.16	6.08	
MAY	548,900.00	1,739.96	1,094.77	550.37	3,385.10	4.61	
JUNE	1,890,700.00	6,018.74	3,770.96	1,895.76	11,685.45	4.62	Installation of new SCADA Controls & Testing
JUL	2,439,594.00	6,331.00	4,865.71	2,446.12	13,642.83	4.18	
AUG	-	-	-	-	-	-	
SEP	-	-	-	-	-	-	
OCT	-	-	-	-	-	-	
NOV	-	-	-	-	-	-	
DEC	-	-	-	-	-	-	
	\$ 5,531,682.00	\$ 19,594.69	\$ 11,032.81	5,546.47	\$ 36,173.97	\$ 4.89	

Average cost per of water from Well 11 during normal full-time operating conditions - \$4.47 per HCF / \$1,947 per Acre Foot

*Average cost to run Well 11 when well is not being used for full time operation is much higher due to the electrical demand cost when the well is first turned on for the billing period

Results:

- The system has project cost for Wells #12, #13 and #14 using the recent implemented Well #10 as a standard to estimate future additional operating costs. Assuming the new wells along with well #11 produce what well #11 produced last year, the estimated usage would be approximately 40-acre feet. Estimated cost to produce is \$1,947 per acre foot. The 40-acre feet could be divided between wells #11, #12, and #13. During non-drought years, wells #11, #12, and #13 would have minimal use since the Wrightwood Well Field will supply the needed water and is much more cost effect to operate.
- Based on assumed operating usage the anticipated additional cost would range from \$19,470 to \$77,880 (usage ranging from 10 to 40-acre feet). Additional operating usage costs will be managed by the proposed rate structure being implemented in 2020.

5. Evaluation of management and status of the System's reserve funds

	2019	2018	2017	2016	2015
Assessment	\$ 93,276	\$ 231,668	\$ 229,196	\$ 978	\$ 986
Capital Improvements	98,739	22,585	9,585	9,561	4,543
System upgrades	37,004	19,615	37,681	18,054	27,552
Wells	34,481	70,419	184,063	185,144	27,118
Total	<u>\$ 263,500</u>	<u>\$ 344,287</u>	<u>\$ 460,525</u>	<u>\$ 213,737</u>	<u>\$ 60,199</u>

Percentage increase **39%** Overall net increase during the past five years

Results:

Reserve accounts have been verified for the past five years. The system has implemented additional funding priority using the Tiers 1,2,and 3 beginning in 2018 (shown below) and will make adjustments to the table below to designated additional funding for reserves to meet the financial covenant in accordance with Multiple Advance Term Promissory Note.

Month	Total Usage	Tier 1 Usage	Tier 2 Usage Well 11	Tier 3 Usage Overage	Month
JAN	12,480.62	7,242.21	2,506.00	2,732.41	JAN
FEB	10,979.96	6,266.14	2,672.00	2,041.82	FEB
MAR	10,326.75	5,639.45	3,225.00	1,462.30	MAR
APR	16,381.09	10,952.85	2,500.00	2,928.24	APR
MAY	17,288.19	11,097.04	3,200.00	2,991.16	MAY
JUNE	19,468.72	11,360.44	3,800.00	4,308.28	JUNE
JUL	24,332.53	13,345.80	3,950.00	7,036.73	JUL
AUG	24,571.73	13,269.07	3,900.00	7,402.66	AUG
SEP	21,868.39	12,256.22	3,763.00	5,849.17	SEP
OCT	19,743.60	12,541.29	3,250.00	3,952.31	OCT
NOV	13,907.07	9,951.45	1,500.00	2,455.62	NOV
DEC	12,938.87	8,990.84	1,350.00	2,598.03	DEC
TOTAL	204,287.52	122,912.80	35,616.00	45,758.72	TOTAL

Monthly Deposits

Total Well Maintenance	Tier 2 & 3- \$1.46 MWA Fees	Tier 3-\$2.00 Improvement	Tier 3-\$1.13 Assessment	System Upgrade	Well 11 \$5.00 Assessment
\$ 3,120.16	\$ 3,658.76	\$ 5,464.82	\$ 3,087.62	\$ 3,750.00	\$ -
2,744.99	3,901.12	4,083.64	2,307.26	3,750.00	-
2,581.69	4,708.50	2,924.59	1,652.39	3,750.00	-
6,809.39	3,650.00	5,856.48	3,308.91	3,750.00	-
7,417.63	4,672.00	5,982.31	3,380.01	3,750.00	-
8,921.32	5,548.00	8,616.56	4,868.36	3,750.00	-
11,576.50	5,767.00	14,073.46	7,951.50	3,750.00	-
11,794.26	5,694.00	14,805.32	8,365.01	3,750.00	-
10,273.18	5,493.98	5,849.17	6,609.56	3,750.00	5,970.00
8,537.06	4,745.00	7,904.62	4,466.11	3,750.00	5,950.00
5,454.58	2,190.00	4,911.25	2,774.85	3,750.00	5,950.00
5,208.73	1,971.00	5,196.06	2,935.77	3,750.00	5,925.00
\$ 84,439.48	\$ 51,999.36	\$ 85,668.28	\$ 51,707.36	\$ 45,000.00	\$ 23,795.00

Well Account

Capital Improvement Account

Assessment Account

System Upgrade Account

6. Provide a summarized conclusion on the overall current and anticipated financial health

Results:

- a. For the current financial health, the System has demonstrated over the past 5 years to be fiscally responsible for managing overall operations which includes maintaining cash flows, working capital, collections of receivables, and meeting debt obligations while providing members demand for quality water.
- b. As for the anticipated financial health, the System has worked diligently to secure the required flexible funding for additional water capacity, refinanced existing shareholder loans under lower rates, established funding option that are comparable in current market fee structures and project a multi-year budget that demonstrates adherence to future operations.

**SHEEP CREEK WATER COMPANY
MEMORANDUM**

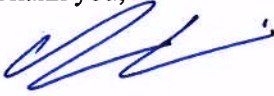
TO: BOARD OF DIRECTORS
FROM: CHRIS CUMMINGS
SUBJECT: JASON HONG- METER SERVICE REIMBURSEMENT REQUEST
DATE: 9/11/2020

Dear Board of Directors,

Shareholder Jason Hong has sent a request to the Board requesting reimbursement for two water meter services that were purchased for a ten acre parcel on March 31, 2006. When the property was acquired there were two meter services installed on the property. Mr. Hong purchased two additional meter services so that the property could be subdivided into four parcels. 660' of new line was needed to be installed before the two additional services could be placed. At this time, new line has not been installed so the meters have not been placed.

Due to the State Water Resource Control Board Service Connection Moratorium that was placed on Sheep Creek Water Company, Mr. Hong is requesting a refund of the two meter service connection that were purchased in 2006. The deadline for Sheep Creek Water Company to be in compliance for Source Capacity is December 2023.

Thank you,

A handwritten signature in blue ink, appearing to read 'Chris Cummings', with a stylized flourish at the end.

Chris Cummings



From: Jason Hi Hong (aka Hi Choong Hong)

17642 Windward Terr. Bellflower, Ca. 90706

By: _____

TO: Board of Director/ Sheep Creek Water Company

**4200 Sunnyslope Rd. P O Box 291820,
Phelan, Ca. 92329-1820**

**Re: Pay Back Request of My deposit Money, \$22,000.00 for the
Installment of Two(2) Water meters on my vacant land in Phelan, APN
3069-261-10-0000.**

Dear Sir,

**I had deposited the amount of \$22,000.00 to Sheep Creek Water Co. at
the date of March 31, 2006. (Attached the receipt herewith)**

**Recently I am aware of a water supply ban for new home building in
Phelan by your company for a period of 4~5 years from now on.
Because of this reason, I could not sell my land to whom wants to
build new homes there now.**

**I even cannot wait for your sufficient water supply to my land in the
year 2024 or 2025. At that time, I become 80 years old, so I will be too
old to wait until then for my new home with water supply by your
company.**

**Therefore, I want to withdraw it and really request you to pay back all
my deposited money to me as soon as possible.**

Your kind cooperation will be appreciated a lot.

Thank you and Best Regards,


Jason Hi Hong

Date: 8/21/2020

Sheep Creek Water Company
4200 Sunnyslope Rd.
P.O. Box 291820
Phelan, CA 92329-1820
Office (760) 868-3755/Fax (760) 868-2174
Email sheepcreek@verizon.net / www.sheepcreekwater.com

Board of Directors
Phelan Pinon Hills CSD
P.O. BOX 294049
Phelan, CA 92329-4049

September XX, 2020

Dear Board of Directors,

The Sheep Creek Water Company ("SCWC") would like to express its intent to enter into negotiations with the Phelan Pinon Hills Community Services District ("PPHCSD") for the purpose of consolidating the community system with PPHCSD. After extensive discussion with our Shareholders, community members, Webb Associates, Infrastructure Engineering Corporation, California Rural Water Association, and the State Water Resource Control Board about the alternatives for clean drinking water, the SCWC has decided that consolidation with PPHCSD is the best option.

As the community's representatives on drinking water solutions at the SCWC, we are committed to representing the interests of the community to the best of our abilities in our conversations with PPHCSD about consolidation. We will be supported throughout this process by our Shareholders, community members, Webb Associates, Infrastructure Engineering Corporation, and California Rural Water Association. We also hope to be able to rely on the State Water Resource Control Board for support and guidance during this process.

Please reply with your availability to meet and discuss this process. We look forward to your reply, and to pursuing a long-term solution for sufficient drinking water for those residing and conducting business within our community.

Sincerely,

Andy Zody, President

Bob Howard, Vice President

Kellie Williams, Secretary/Treasurer

Luanne Uhl, Director

David Nilsen, Director

SHEEP CREEK WATER COMPANY
Enter Into Negotiations for Consolidation - September 17, 2020

RESOLUTION OF THE GOVERNING BOARD OF THE SHEEP CREEK WATER COMPANY IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, TO ENTER INTO NEGOTIATIONS WITH THE PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT FOR THE PURPOSES OF CONSOLIDATING THE SHEEP CREEK WATER SYSTEM WITH THE PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT

Whereas, the governing Board of the Sheep Creek Water Company ("SCWC") has the authority to conduct the business and affairs of SCWC in accordance with the Bylaws of the Corporation according to Article 3: Section 13.

Whereas, the governing Board of the SCWC has determined after extensively consulting with our Shareholders, community members, Webb Associates, Infrastructure Engineering Corporation, California Rural Water Association, and the State Water Resource Control Board about the alternatives for clean and sufficient drinking water that the option of consolidation with the Phelan Pinon Hills Community Services District ("PPHCSD") is in the interest of community residents for the purposes improved water supply.

Whereas, the governing Board of the SCWC has the authority to enter into an agreement with the PPHCSD to improve and maintain the SCWC water supply, equipment, and facilities including but not limited to full consolidation as well as upgrading of the SCWC water supply and distribution system.

Whereas, the governing Board of the SCWC anticipates with the assistance of our shareholders, community members, Webb Associates, Infrastructure Engineering Corporation, California Rural Water Association, and the State Water Resource Control Board that negotiations will commence without delay and to meet full compliance with the State Water Resource Control Board December 1, 2023 deadline for determination of the course of action for an improved alternative water supply for the SCWC.

Whereas, it is the intention of the governing board of the SCWC as representatives of the SCWC to represent the interests of the community to the best of their ability in the negotiations with the PPHCSD.

THEREFORE, IT IS RESOLVED THAT THIS BOARD HEREBY PROPOSES TO ENTER INTO NEGOTIATIONS WITH THE PPHCSD TO CONSOLIDATE THE MUTUAL WATER SYSTEM AND FACILITIES.

It is further resolved that the governing board of the SCWC authorizes (a responsible party) at the direction of the Board to act as the associations representative in the course of negotiations with the PPHCSD.

PASSED AND ADOPTED:

Ayes:

Noes:

Absent:

Abstain:

I hereby certify that the forgoing resolution was adopted at the regular meeting of the SCWC, duly noticed and held on September 17, 2020.

Secretary

AVERAGE GALLONS PER MINUTE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
2020	26%	43%	40%	56%	51%	53%	62%	50%	-100%	-100%	-100%	-100%	Compare 2019
Tunnel	123	122	122	123	127	131	133	133					
Well # 2A	250	279	262	306	286	292	344	339					
Well # 3A	0	312	324	327	318	311	311	347					
Well # 4A	272	282	250	329	312	302	372	350					
Well # 5	305	309	327	314	319	307	311	318					
Well # 6	270	284	295	367	367	367	348	322					
Well # 11	251	251	251	251	251	251	251	251					
TOTAL G	1,471	1,849	1,831	2,007	1,960	1,961	2,070	2,060	0	0	0	0	Compare 2018
2019	26%	-2%	0%	3%	13%	61%	155%	166%	155%	154%	70%	83%	
Tunnel	107	109	112	119	124	119	123	128	128	126	125	124	
Well # 2A	150	208	207	170	179	189	184	158	172	204	186	229	
Well # 3A	148	186	194	186	186	167	162	167	0	0	0	0	Pump Pulled 9-19
Well # 4A	174	179	185	189	194	167	179	179	207	207	207	312	
Well # 5	155	168	170	173	165	197	196	231	270	283	290	299	
Well # 6	181	193	193	198	198	192	195	258	259	242	285	263	
Well # 11	251	251	251	251	251	251	251	251	251	251	251	251	
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	-40%	-27%	-16%	-12%	-19%	-42%	-57%	-49%	-48%	-48%	-17%	-21%	
Tunnel	131	129	127	125	125	124	122	121	119	118	118	116	
Well # 2A	0	150	175	135	125	55	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	274	278	124	124	119	124	128	138	147	
Well # 6	320	325	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	-35%	-40%	-43%	-48%	-45%	-11%	66%	58%	17%	6%	-28%	-37%	
Tunnel	147	145	147	148	147	147	143	140	137	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	333	253	200	200	144	115	130	154	184	
Well # 5	353	372	372	355	353	280	257	257	238	244	258	275	
Well # 6	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	
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	45	111	167	
Well # 3A	537	646	530	635	610	225	28	31	90	114	183	286	
Well # 4A	659	729	556	478	439	183	94	52	132	157	267	333	
Well # 5	461	468	463	471	438	381	120	163	192	218	305	353	
Well # 6	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 # 6	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	0	0	Nov- Pump Pulled
Well # 3A	617	617	617	641	706	685	664	652	619	637	657	679	
Well # 4A	883	883	898	919	882	851	772	903	667	667	760	760	
Well # 5	317	317	326	326	259	259	317	310	301	301	0	0	Oct- Pump Pulled
Well # 6	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	

PRODUCTION 6 - YEAR RECAP

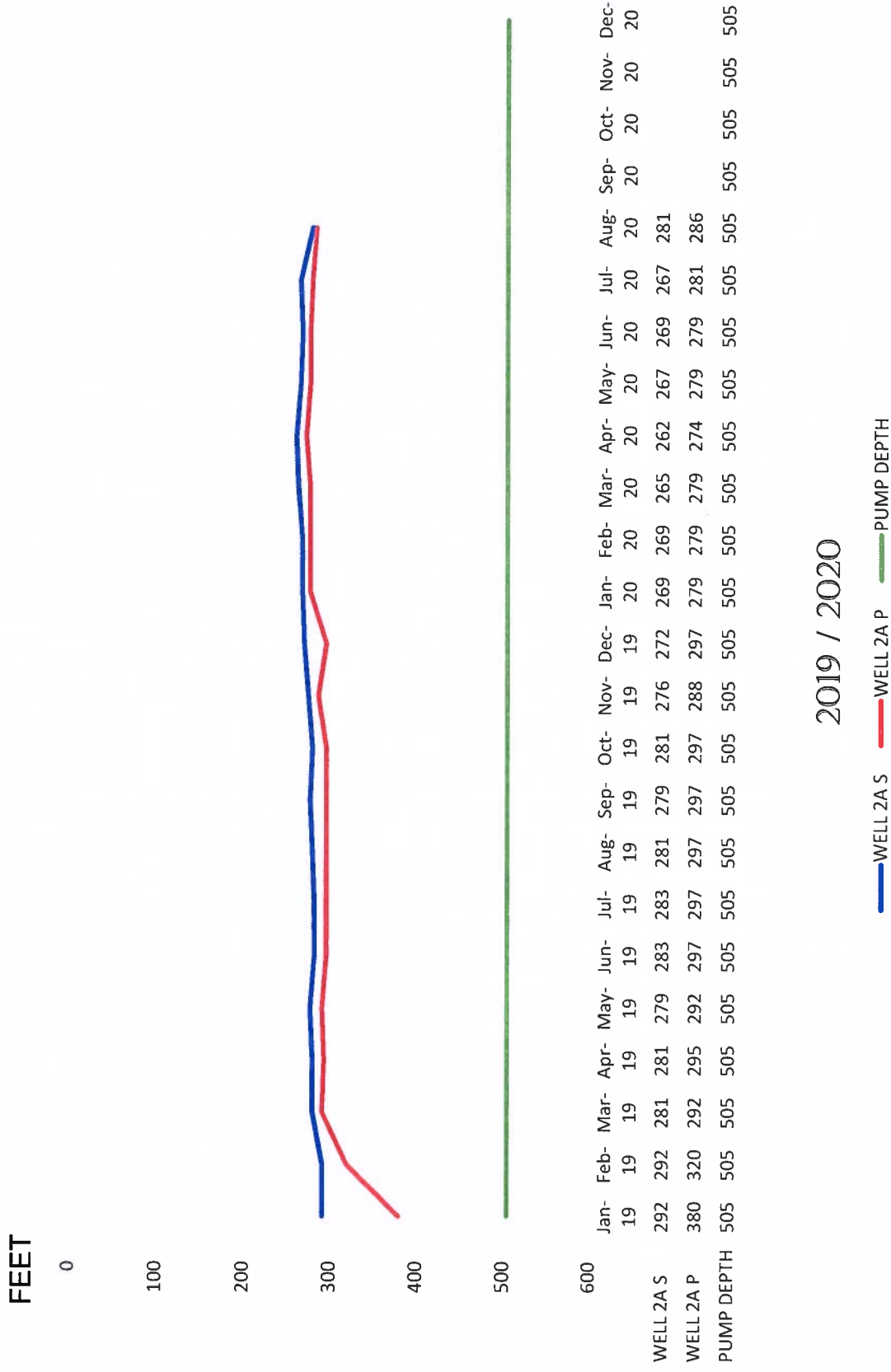
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	4%	SEPT	OCT	NOV	DEC	TOTAL	TOTAL	TOTAL	Reduction compared to 2019	Reduction compared to 2013
2020	-3%	-3%	10%	2%	35%	13%	20%	33%	-44%	-100%	-100%	-100%	-100%	-100%	-100%	-100%		
Tunnel	5,461,732	3,087,000	5,479,274	5,313,000	5,671,000	5,622,000	5,394,000	5,594,576						44,342,392	44,342,392	44,342,392		
Well # 2A	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000						1,770,000	1,770,000	1,770,000		
Well # 3A	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000						12,450,000	12,450,000	12,450,000		
Well # 4A	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000						310,000	310,000	310,000		
Well # 5	5,119,000	4,377,000	4,400,000	3,290,000	3,520,000	6,710,000	3,002,000	71,000						23,605,000	23,605,000	23,605,000		
Well # 6	34,000	80,000	23,000	55,000	320,000	2,055,000	7,514,000	20,000						9,813,000	9,813,000	9,813,000		
Well # 11	0	127,800	88,000	104,100	482,700	1,109,000	2,906,300	705,800						5,614,900	5,614,900	5,614,900		
PHHCS	0	0	0	0	0	0	0	0						0	0	0		
TOTAL G	10,842,732	11,006,824	11,444,700	11,470,458	18,438,700	20,584,600	23,602,300	21,497,776						128,713,492	128,713,492	128,713,492		
TOTAL CF	1,490,571	1,490,571	1,490,571	1,490,571	1,490,571	1,490,571	1,490,571	1,490,571						14,905,710	14,905,710	14,905,710		
TOTAL AF	33,270	33,270	33,270	33,270	33,270	33,270	33,270	33,270						332,700	332,700	332,700		
2019	-16%	-16%	-17%	-31%	-28%	-16%	-3%	-5%	-44%	-39%	-4%	-15%	-12%	-128,713	-128,713	-128,713		
Tunnel	4,808,174	4,384,800	5,017,000	5,162,000	5,517,000	5,140,800	5,490,720	5,713,570						5,400,000	5,400,000	5,400,000		
Well # 2A	10,000	41,000	2,784,000	3,943,000	3,943,000	5,499,000	5,678,000	2,863,000						1,076,000	1,076,000	1,076,000		
Well # 3A	7,000	228,000	144,000	11,000	1,600	38,000	234,000	57,000						0	0	0		
Well # 4A	6,000	211,000	132,000	7,000	27,000	35,000	60,000	15,000						10,000	10,000	10,000		
Well # 5	2,028,000	2,285,000	2,776,000	3,881,000	3,037,000	4,746,000	6,006,000	5,565,000						3,173,000	3,173,000	3,173,000		
Well # 6	3,172,000	2,612,000	6,000	12,000	76,000	2,055,000	2,981,000	2,865,000						1,134,000	1,134,000	1,134,000		
Well # 11	250,000	267,200	327,500	693,000	988,800	2,385,700	2,281,300	2,739,700						44,800	44,800	44,800		
PHHCS	0	0	0	0	0	0	0	0						0	0	0		
TOTAL G	11,131,774	10,926,000	10,683,590	14,170,458	18,146,500	19,733,020	20,759,620	18,202,500						12,077,800	12,077,800	12,077,800		
TOTAL CF	1,488,295	1,340,775	1,428,287	1,817,647	1,894,448	2,426,003	2,638,104	2,775,350						1,614,679	1,614,679	1,614,679		
TOTAL AF	34,157	30,773	32,782	41,694	43,481	55,681	60,549	63,699						37,060	37,060	37,060		
2018	-25%	-13%	-49%	-27%	-40%	-45%	-38%	-41%	-47%	-20%	-7%	-35%	-39%	-64,630	-64,630	-64,630		
Tunnel	5,870,068	5,204,909	5,674,100	5,428,987	5,583,000	5,362,000	5,450,000	5,395,000						5,070,980	5,070,980	5,070,980		
Well # 2A	0	0	238,000	1,882,000	17,000	184,000	2,142,000	1,150,000						0	0	0		
Well # 3A	0	157,000	1,735,000	1,758,000	1,417,000	663,000	10,000	6,000						0	0	0		
Well # 4A	3,559,000	4,031,000	3,160,000	3,516,000	3,516,000	8,470,000	6,448,000	5,119,000						4,477,000	4,477,000	4,477,000		
Well # 5	3,971,000	4,511,000	3,531,000	3,512,000	3,586,000	6,487,000	6,770,000	5,501,000						3,493,000	3,493,000	3,493,000		
Well # 11	0	0	0	0	0	0	0	0						24,700	24,700	24,700		
PHHCS	0	0	0	0	0	0	0	0						0	0	0		
TOTAL G	13,532,088	13,003,909	12,838,190	19,555,987	19,245,000	21,198,000	20,402,000	22,133,736						14,004,980	14,004,980	14,004,980		
TOTAL CF	1,899,101	1,898,811	1,716,336	2,014,437	2,127,861	2,833,000	2,777,540	3,008,407						1,872,326	1,872,326	1,872,326		
TOTAL AF	41,522	42,663	39,383	60,405	59,052	68,038	62,602	69,693						42,973	42,973	42,973		
2017	-42%	-15%	-38%	-11%	-32%	-41%	-35%	-34%	-34%	-14%	-9%	-5%	-4%	-203,556	-203,556	-203,556		
Tunnel	6,570,115	5,860,915	6,500,203	6,468,984	6,579,043	6,284,000	6,307,800	6,250,800						5,865,000	5,865,000	5,865,000		
Well # 2A	18,000	23,000	0	19,000	168,000	168,000	36,000	10,000						0	0	0		
Well # 3A	3,777,000	5,786,000	7,405,000	6,194,000	6,006,000	5,728,000	4,904,000	2,485,000						2,081,000	2,081,000	2,081,000		
Well # 4A	439,000	45,000	0	279,000	31,000	47,000	400,000	9,000						864,000	864,000	864,000		
Well # 5	20,000	20,000	0	100,000	2,087,000	4,115,000	6,172,000	6,533,000						3,992,000	3,992,000	3,992,000		
Well # 6	28,000	26,000	1,692,000	5,444,000	6,327,000	6,284,000	7,287,000	7,135,000						4,341,000	4,341,000	4,341,000		
PHHCS	0	0	0	0	0	0	0	0						0	0	0		
TOTAL G	10,844,115	11,769,915	15,687,203	18,485,984	21,655,043	22,626,000	25,484,805	24,433,850						16,278,005	16,278,005	16,278,005		
TOTAL CF	1,440,748	1,572,518	2,097,270	2,471,388	2,895,056	3,074,864	3,260,396	3,760,557						2,176,338	2,176,338	2,176,338		
TOTAL AF	33,247	36,124	48,144	56,724	66,454	69,443	78,233	74,937						49,855	49,855	49,855		
2016	-27%	-20%	-35%	-19%	-32%	-41%	-35%	-34%	-34%	-14%	-9%	-5%	-4%	-223,777	-223,777	-223,777		
Tunnel	8,211,082	7,590,047	7,907,083	7,893,998	7,991,925	7,261,013	7,365,600	7,221,859						6,655,003	6,655,003	6,655,003		
Well # 2A	16,000	27,000	3,393,000	4,281,000	6,731,000	3,365,000	3,066,000	124,000						6,000	6,000	6,000		
Well # 3A	25,000	31,000	35,000	1,692,000	4,498,000	10,091,000	4,110,000	1,218,000						11,000	11,000	11,000		
Well # 4A	48,000	35,000	30,000	43,000	29,000	7,937,000	3,056,000	1,564,000						16,000	16,000	16,000		
Well # 5	4,851,000	6,174,000	7,368,000	7,135,000	7,324,000	6,961,000	8,074,000	6,451,000						3,294,000	3,294,000	3,294,000		
Well # 6	27,000	20,000	21,000	26,000	32,000	5,286,000	6,305,000	7,231,000						4,337,000	4,337,000	4,337,000		
PHHCS	0	0	0	0	0	0	0	0						0	0	0		
TOTAL G	10,844,115	11,769,915	15,687,203	18,485,984	21,655,043	22,626,000	25,484,805	24,433,850						16,278,005	16,278,005	16,278,005		
TOTAL CF	1,440,748	1,572,518	2,097,270	2,471,388	2,895,056	3,074,864	3,260,396	3,760,557						2,176,338	2,176,338	2,176,338		
TOTAL AF	33,247	36,124	48,144	56,724	66,454	69,443	78,233	74,937						49,855	49,855	49,855		
2015	-27%	-20%	-35%	-19%	-32%	-41%	-35%	-34%	-34%	-14%	-9%	-5%	-4%	-223,777	-223,777	-223,777		
Tunnel	8,211,082	7,590,047	7,907,083	7,893,998	7,991,925	7,261,013	7,365,600	7,221,859						6,655,003	6,655,003	6,655,003		
Well # 2A	16,000	27,000	3,393,000	4,281,000	6,731,000	3,365,000	3,066,000	124,000						6,000	6,000	6,000		
Well # 3A	25,000	31,000	35,000	1,692,000	4,498,000	10,091,000	4,110,000	1,218,000						11,000	11,000	11,000		
Well # 4A	48,000	35,000	30,000	43,000	29,000	7,937,000	3,056,000	1,564,000						16,000	16,000	16,000		
Well # 5	4,851,000	6,174,000	7,368,000	7,135,000	7,324,000	6,961,000	8,074,000	6,451,000						3,294,000	3,294,000	3,294,000		
Well # 6	27,000	20,000	21,000	26,000	32,000	5,286,000	6,305,000	7,231,000						4,337,000	4,337,000	4,337,000		
PHHCS	0	0	0	0	0	0	0	0						0	0	0		
TOTAL G	10,844,115	11,769,915	15,687,203	18,485,984	21,655,043	22,626,000	25,484,805	24,433,850						16,278,005	16,278,005	16,278,005		
TOTAL CF	1,440,748	1,572,518	2,097,270	2,471,388	2,895,056	3,074,864	3,260,396	3,760,557						2,176,338	2,176,338	2,176,338		
TOTAL AF	33,247	36,124	48,144	56,724	66,454	69,443	78,233	74,937						49,855	49,855	49,855		
2014	-27%	-20%	-35%	-19%	-32%	-41%	-35%	-34%	-34%	-14%	-9%	-5%	-4%	-223,777	-223,777	-223,777		
Tunnel	8,211,082	7,590,047	7,907,083	7,893,998	7,991,925	7,261,013	7,365,600	7,221,859						6,655,003	6,655,003	6,655,003		
Well # 2A	16,000	27,000	3,393,000</															

CONSUMPTION 10-YEAR

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Reduction with 2019 Reduction with 2013
2020	-3%	3%	11%	-21%	16%	18%	4%	-1%	-100%	-100%	-100%	-100%		
Cons'n HCF	-33%	-27%	-43%	-58%	-46%	-40%	-44%	-44%	0	0	0	0	140,346	
Cons'n GPM	203	211	192	225	335	398	423	406	0	0	0	0	199	
Cons'n A.F.	27,795	26,062	26,302	29,850	45,846	52,833	57,894	55,608	0.000	0.000	0.000	0.000	322,191	
Ave GPDPP	86,922739	81,502788	82,252217	93,349131	143,3696	165,21983	181,04844	173,89903	0	0	0	0	83,964	
2019	-19%	-24%	-19%	-10%	-22%	-21%	-10%	-7%	-2%	5%	-15%	-1%		Reduction with 2018 Reduction with 2013
Cons'n HCF	-31%	-30%	-49%	-47%	-53%	-49%	-46%	-43%	-40%	-36%	-28%	-20%	204,279	
Cons'n GPM	12,481	10,980	10,327	16,381	17,288	19,469	24,323	24,572	21,868	19,744	13,907	12,940	290	
Cons'n A.F.	209	204	173	284	290	337	408	412	379	331	241	217	468,960	
Ave GPDPP	28,652	25,207	23,707	37,606	39,688	44,695	55,838	56,409	50,203	45,325	31,926	29,706	122,212	
2018	89,599906	78,826483	74,137008	117,60186	124,11268	139,77034	174,61781	176,40347	156,99586	141,74173	99,840565	92,896918		Reduction with 2016 Reduction with 2013
Cons'n HCF	14%	-16%	-39%	-20%	-24%	-42%	-26%	-39%	-15%	-6%	-16%	0%	231,605	
Cons'n GPM	-15%	-7%	-37%	-41%	-40%	-35%	-40%	-39%	-39%	-39%	-16%	-18%	329	
Cons'n A.F.	15,360	14,461	12,701	18,206	22,082	24,730	27,000	26,417	22,364	18,762	16,399	13,123	531,693	
Ave GPDPP	257	268	213	315	370	428	452	443	387	314	284	220	140,685	
2017	35,262	33,198	29,157	41,796	50,692	56,772	61,983	60,646	51,341	43,072	37,647	30,126		Reduction with 2016 Reduction with 2013
Cons'n HCF	110,27104	110,97826	91,182041	130,70548	158,52588	183,45592	193,83409	189,65218	165,90748	134,69679	121,65634	97,352463		
Cons'n GPM	-18%	-41%	-27%	-9%	-17%	-39%	-27%	-15%	-16%	11%	2%	19%	295,892	
Cons'n A.F.	-38%	-35%	-24%	-33%	-34%	-33%	-42%	-30%	-40%	-29%	3%	-3%	679,274	
Ave GPDPP	11,121	10,088	15,275	20,758	24,151	25,786	26,112	30,311	22,165	21,963	19,912	15,588	177,020	
2016	186	187	256	359	405	446	438	508	384	368	345	261		Reduction with 2013
Cons'n HCF	25,531	23,159	35,066	47,653	55,443	59,196	59,945	69,585	50,885	50,420	45,713	35,785	295,501	
Cons'n GPM	79,84039	72,423639	109,66031	149,02165	173,384	185,11993	187,46068	217,60869	159,1277	157,67493	142,95342	111,90702	468,960	
Cons'n A.F.	-25%	10%	3%	-26%	-21%	11%	-21%	-17%	-28%	-35%	0%	-19%	145,515	
Ave GPDPP	13,498	17,144	20,915	22,752	29,188	42,373	35,594	35,657	26,381	19,859	19,429	13,103		Reduction with 2013
Cons'n HCF	226	318	350	394	489	734	596	597	457	333	336	220	295,892	
Cons'n GPM	30,986	39,356	48,014	52,232	67,007	97,274	81,712	81,857	60,561	45,589	44,604	30,081	421	
Cons'n A.F.	96,901074	123,0758	150,15207	163,3402	209,54503	304,19796	255,53169	255,98606	189,389	142,56712	139,48591	94,070633	679,274	
Ave GPDPP	15,686	15,711	20,472	29,631	26,759	30,807	30,067	31,370	33,365	25,346	18,042	17,975	177,020	
Cons'n HCF	263	291	343	513	448	533	504	526	578	425	312	301		Reduction with 2013
Cons'n GPM	36,010	36,068	46,997	68,023	61,430	70,723	69,025	72,015	76,596	58,187	41,418	41,266	295,231	
Cons'n A.F.	112,61029	112,79422	146,96957	212,72352	192,10615	221,16724	215,85778	225,2065	239,53237	181,96248	129,52236	129,04811	677,757	
Ave GPDPP	17,899	18,812	18,885	30,747	35,306	39,612	46,285	35,211	38,411	33,592	20,749	19,044	176,625	
Cons'n HCF	300	349	316	532	592	686	776	590	665	563	359	319		Reduction with 2013
Cons'n GPM	41,091	43,187	43,353	70,585	81,051	90,937	106,256	80,833	88,180	77,117	47,632	43,719	354,552	
Cons'n A.F.													504	
2013													813,941	
Cons'n HCF	17,965	15,582	20,215	30,811	36,733	38,221	44,989	43,058	36,655	30,752	19,423	16,096	350,501	
Cons'n GPM	301	289	339	533	616	662	754	721	635	515	336	270	498	
Cons'n A.F.	41,242	35,771	46,408	70,732	84,327	87,743	103,281	98,848	84,149	70,598	44,588	36,952	46,763566	
2012													46,763566	
Cons'n HCF	15,541	16,894	20,272	19,552	39,647	36,242	44,216	41,956	31,268	28,645	20,721	15,028	329,982	
Cons'n GPM	260	313	340	339	664	628	741	703	541	480	359	252	468	
Cons'n A.F.	36	39	47	45	91	83	102	96	72	66	48	34	758	
2011														
Cons'n HCF	15,076	13,553	17,061	20,126	28,968	36,990	35,866	42,149	34,486	28,970	22,109	14,483	309,836	
Cons'n GPM	253	251	286	348	485	640	601	706	597	485	383	243	440	
Cons'n A.F.	35	31	39	46	67	85	82	97	79	67	51	33	711	

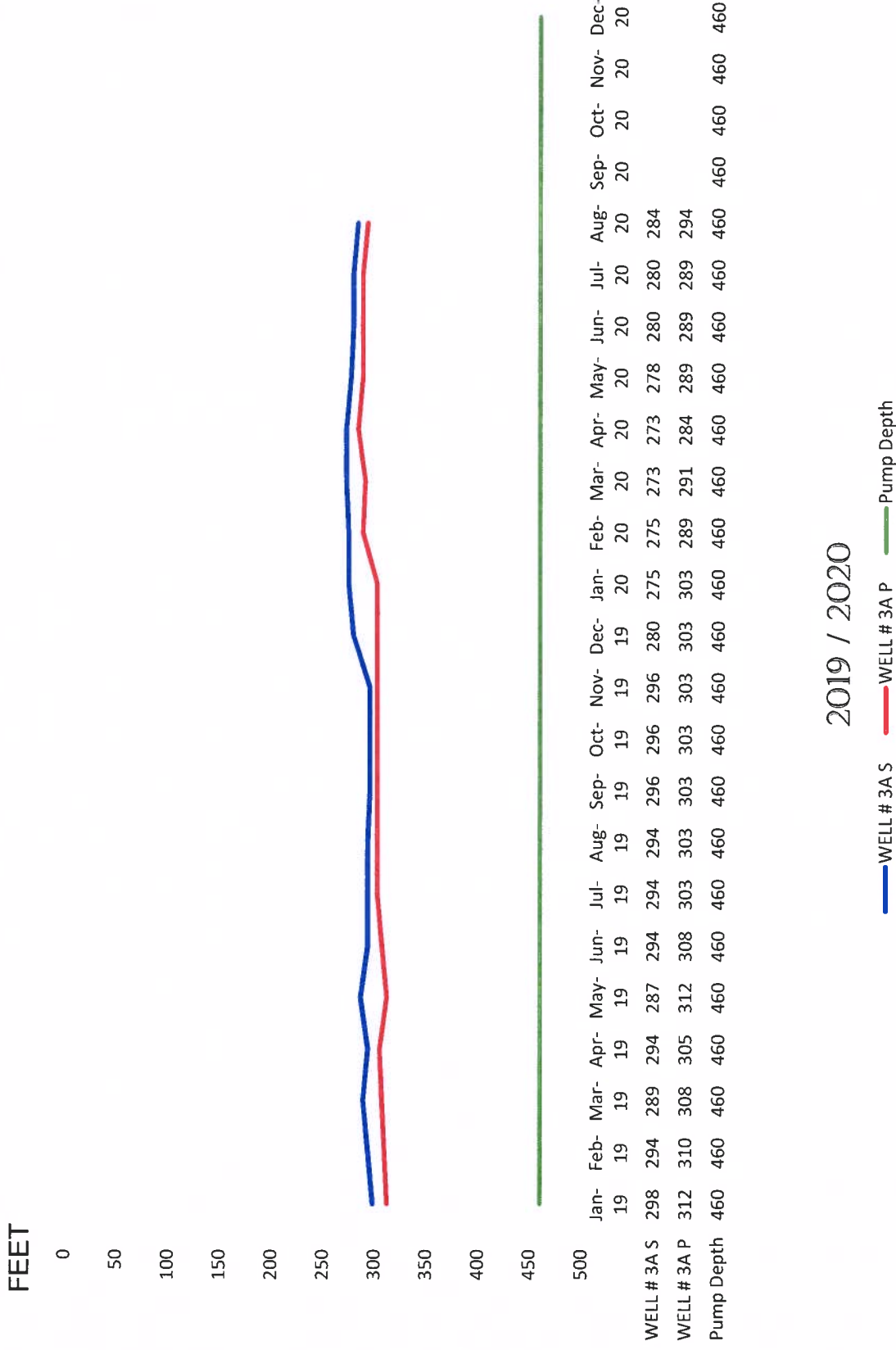
SHEEP CREEK WATER COMPANY

WELL #2A Monthly Water Levels / 2 years



SHEEP CREEK WATER COMPANY

WELL #3A Monthly Water Levels / 2 years

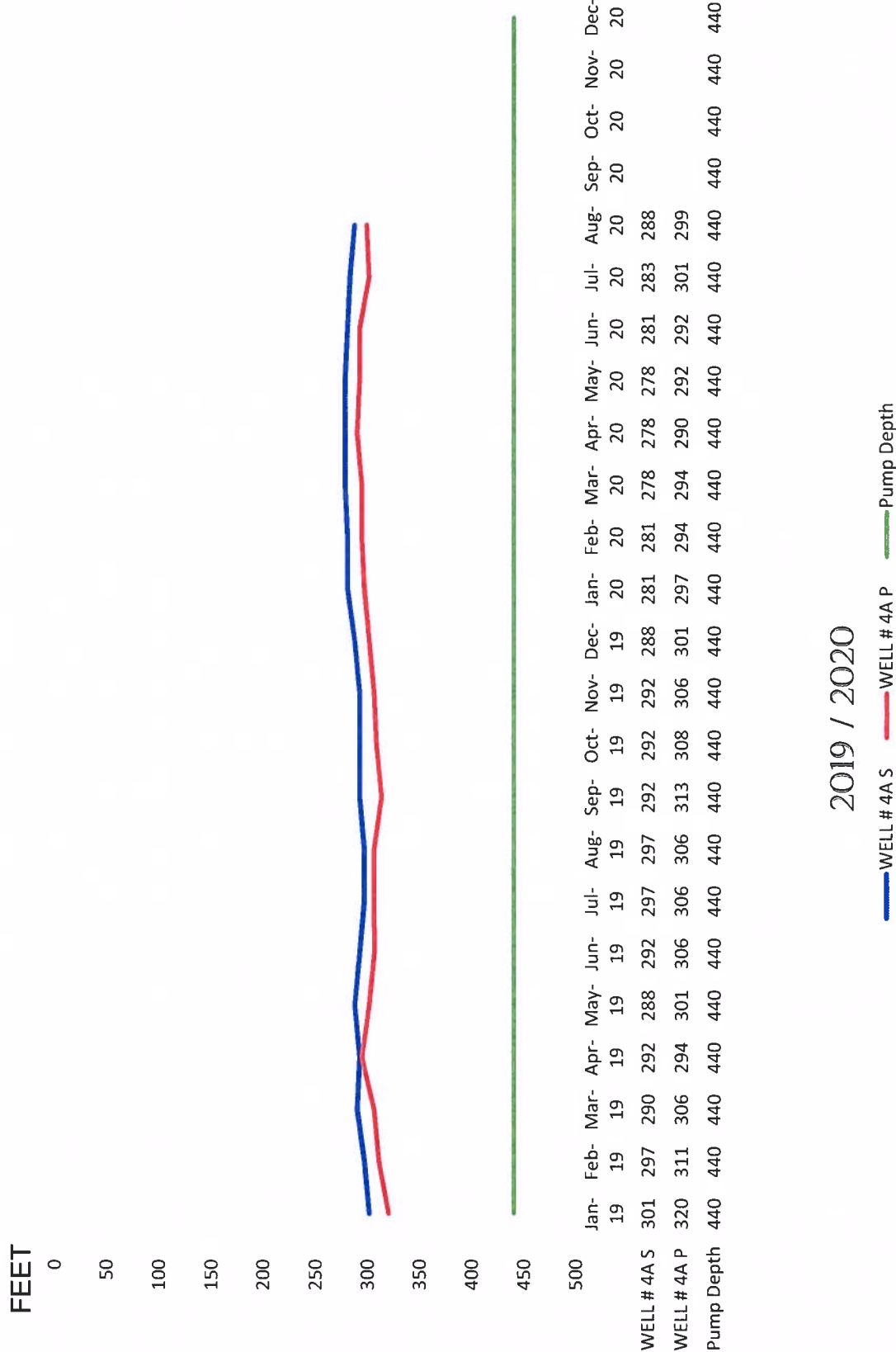


2019 / 2020

— WELL # 3A S — WELL # 3A P — Pump Depth

SHEEP CREEK WATER COMPANY

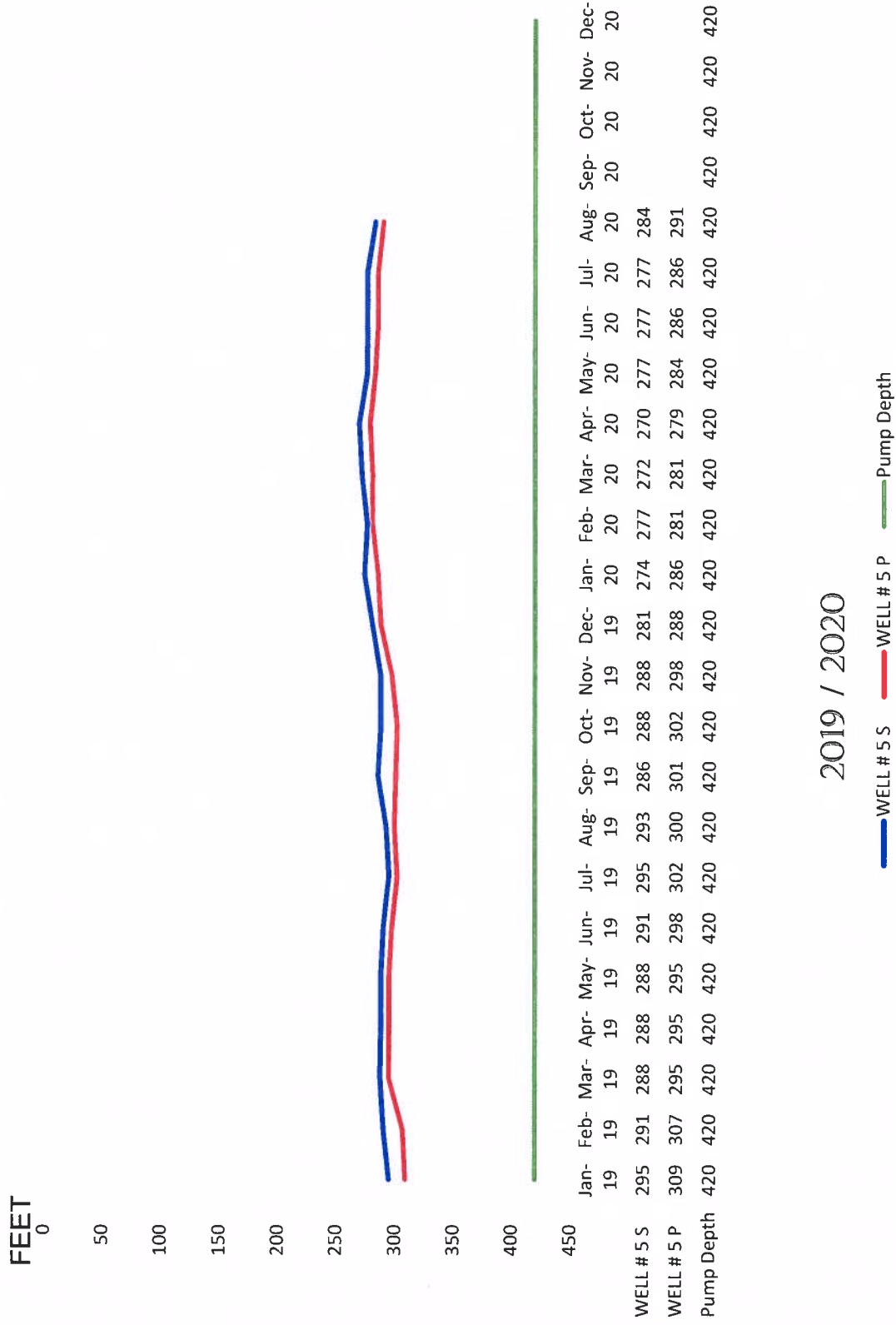
WELL #4A Monthly Water Levels / 2 years



2019 / 2020

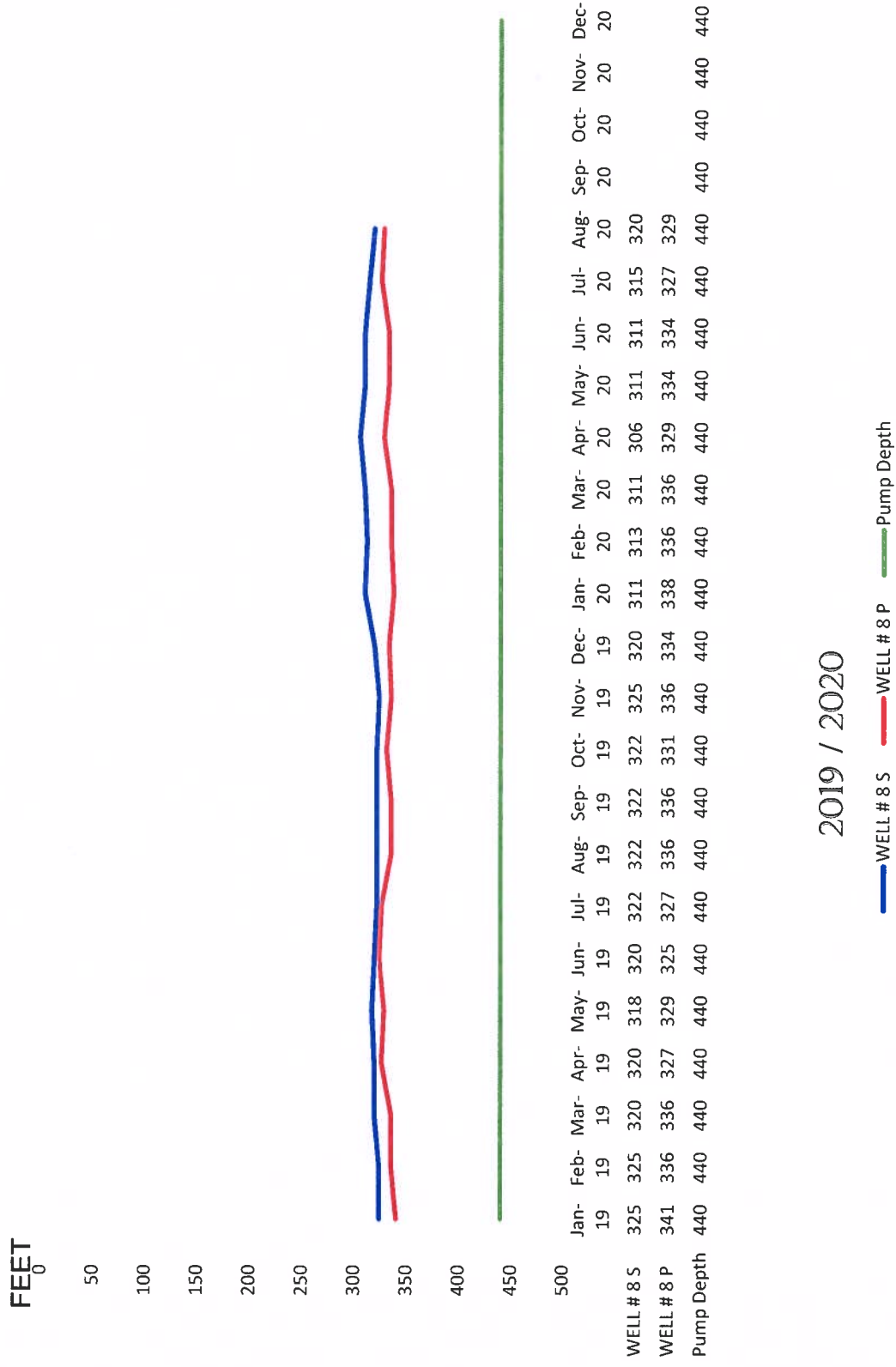
SHEEP CREEK WATER COMPANY

WELL #5 Monthly Water Levels / 2 years



SHEEP CREEK WATER COMPANY

WELL #8 Monthly Water Levels / 2 years

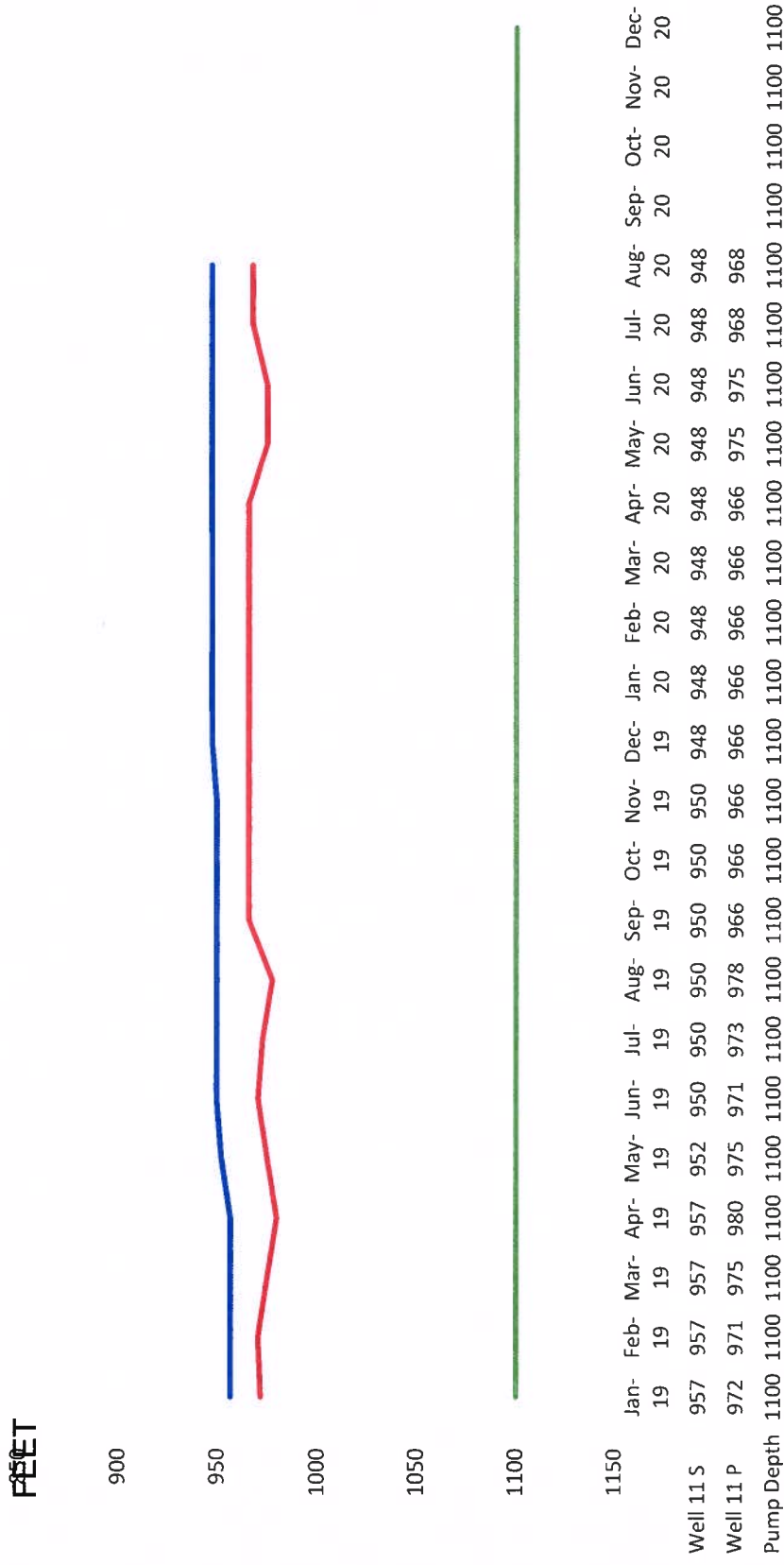


2019 / 2020

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

SHEEP CREEK WATER COMPANY

WELL #11 Monthly Water Levels / 2 years

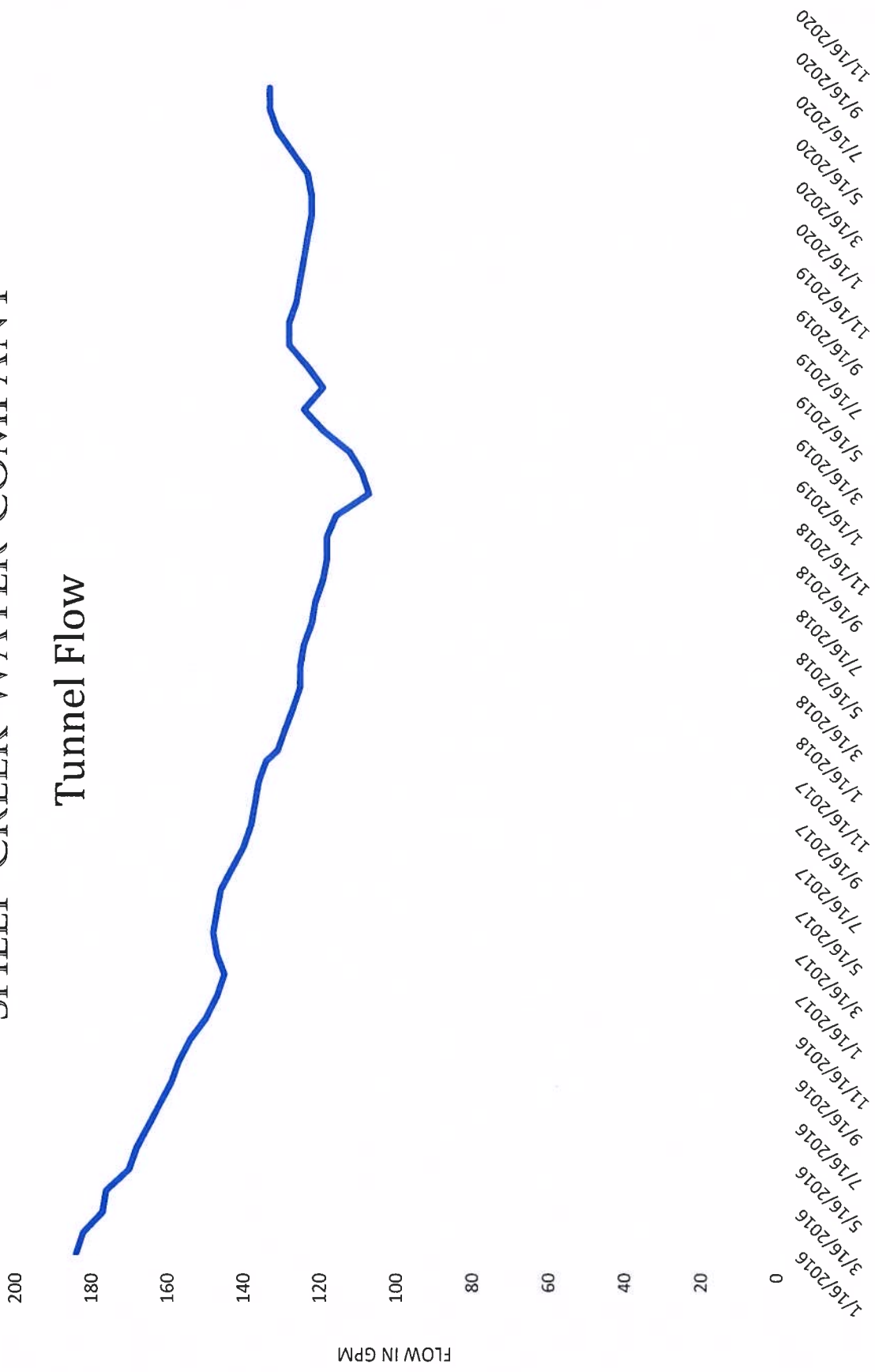


2019 / 2020

Well 11 S Well 11 P Pump Depth

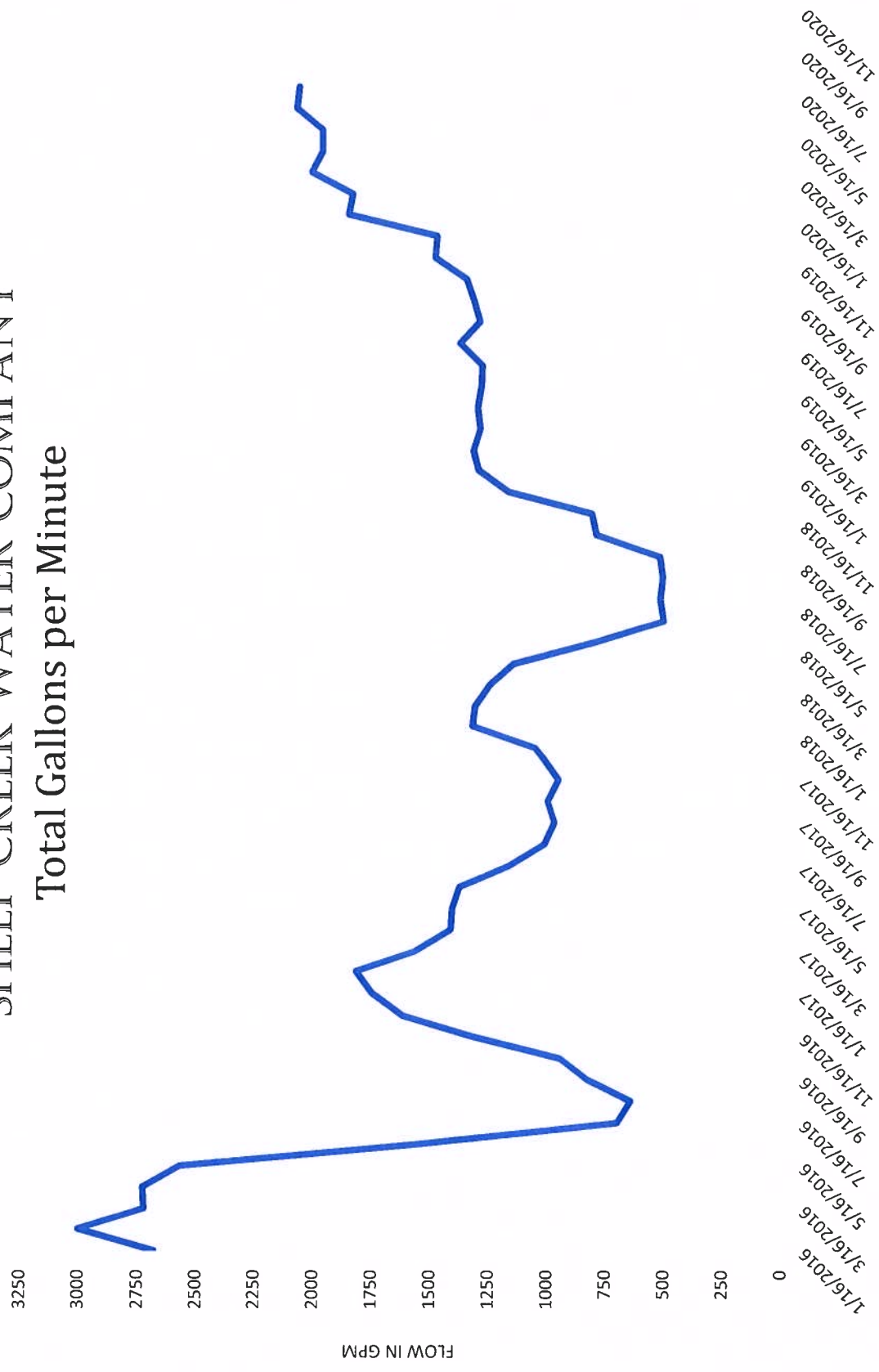
SHEEP CREEK WATER COMPANY

Tunnel Flow



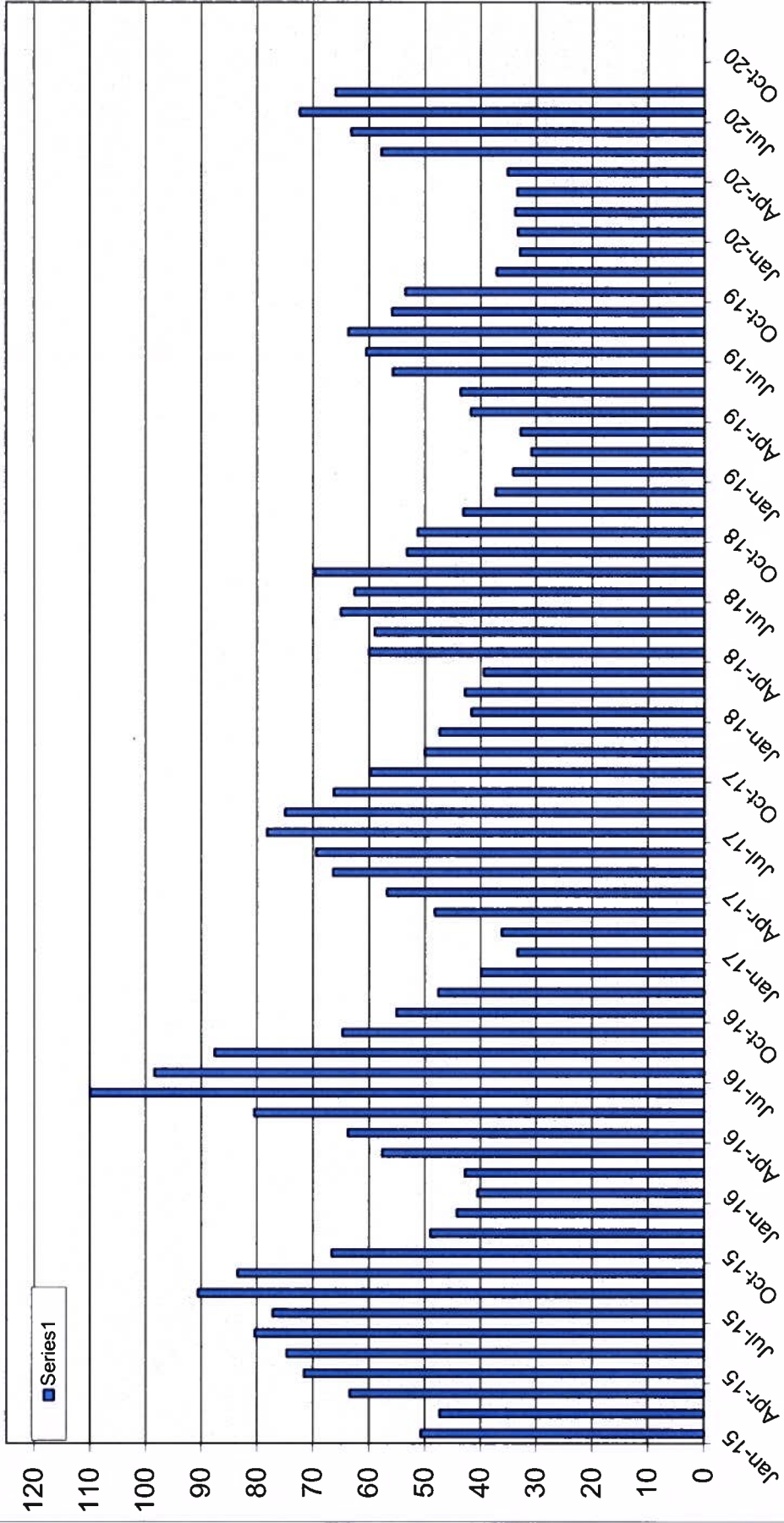
SHEEP CREEK WATER COMPANY

Total Gallons per Minute



SHEEP CREEK WATER COMPANY

WATER PRODUCTION ACRE FEET



2015- 2020