

**SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
JANUARY 5, 2017
7:00 PM
Sheep Creek Water Company- Board Room
4200 Sunnyslope Road, Phelan, CA 92371**

AGENDA

- 1.) **Open Meeting- 7:00 PM**
 - a.) Flag Salute
 - b.) Invocation

- 2.) **Consent Motions**
 - a.) Minutes:
Regular Board of Directors Meeting of *December 15, 2016*
 - b.) Bills:
December 15, 2016 through January 5, 2016
 - 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 district 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.

- 4.) **Old Business**
 - a.) System Update
 - b.) Additional Water Source
 - c.) Mojave Water Agency
 - d.) 2017 Budget
 - 1.) Surcharge- Electric/Drought

- 5.) **New Business**
 - a.) Annual Meeting Agenda Items

- 6.) **Next Scheduled Meetings**
 - a.) January 19, 2017
 - b.) February 2, 2017
 - c.) February 16, 2017

- 7.) **Adjournment**

***SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
MINUTES OF
JANUARY 5, 2017***

The Regular Board of Directors meeting of January 5, 2017 was called to order at 7:02 PM by Andy Zody. The Pledge of Allegiance was led by Kellie Williams. Invocation was led by Bob Howard. Mr. Zody reminded everyone present that the meeting was being recorded for accuracy in the meeting minutes.

Directors present: President Andy Zody, Vice President Bob Howard, Sec/Treas. David Nilsen and Directors Luanne Uhl and Kellie Williams

Staff present: General Manager Chris Cummings and Admin. Secretary Sandi Moseley

Guests: No guests were present at tonight's meeting.

Consent Motion:

- a.) *Minutes of December 15, 2016*
- b.) *Bills of December 15, 2016 through January 5, 2017*
- c.) *Managers Report*

Luanne Uhl moved to approve the consent motions as presented. Kellie Williams seconded the motion. The motion carried.

Open Forum:

Old Business:

a.) **System Update** – Manager Chris Cummings reported that all of the static well levels are slowly increasing. Well 2A has had the greatest increase at 7 feet. Wells 3A, 4A and 5 have increased 2 feet. Well 8 has increased 6 feet. The tunnel flow is still decreasing and is at 150 GPM which is 39 GPM down from this time last year. The total pumping capacity has increased to 1,600 GPM which is a decrease of 1,376 GPM from last year at this time. Wells 5 and 3A are running. Well 4A is having some production issues and pumping significant amounts of air. We are very slowly seeing some recharge but we still need to encourage conservation and keep the allotment as it currently is. December's production has 39.76 AF and we sold 30.08 AF. Some of the waste was from the replacement of the canyon line with having to flush before testing. There seems to be more waste on colder months which could be because low flow is not being recorded on some of the meters. The supplies have been delivered for the second phase of the Canyon line replacement. Valve set ups are currently being built as there is time and the job will hopefully take place in the next month or so. It is a total of 2,000 feet (500 of 8" and 1,500 of 10") of Class 200 which will take longer install due to the weight. 3 new meter services are scheduled to be installed hopefully next week.

b.) **Additional Water Source** – Tom Dodson has made some changes in the initial study in regards to Mojave Water Agency. The State Water Resource Control Board asked him to use the County or the PPHCSD as the lead agency. Don Bartz with PPHCSD thought it could be a conflict of interest so Tom is talking to Robert Lovingoods office. David Nilsen asked if the school could be the lead agency but the question was not answered by Tom.

c.) **Mojave Water Agency** – Chris presented a copy of the letter that had been sent to the Mojave Water Agency requesting consideration to becoming a stipulating party. It was sent to the Watermaster's Office-Valerie Wiegenstein, Kirby Brill-General Manager of MWA and to their engineer. They thought it looked good so Ms. Wiegenstein drafted the

documents together for the Board to sign if they wish to become a Stipulating Party. The process will be started which is approximately 30 days. Chris asked what guarantees Sheep Creek will have with our adjudication rights and he was told by the engineer in his opinion if they got involved it could be opening a can of worms so he felt it would not be an issue. If we keep under 100 AF per year we will be considered a low producer and will just be on annual inspections. We will only pay for what we use. It is suggested that the overage pay for the cost of the water used possibly increasing the overage charges. David Nilsen moved to become a Stipulating Party to the Judgement in the Mojave Basin Area Adjudication. Luanne Uhl seconded the motion. The motion carried.

d.) 2017 Budget – Chris included the revisions from the Board. Attorney fees have lowered for the AV Litigation and increased for general. Luanne Uhl mentioned the winter rates and feels they are too long, going from October through May. David Nilsen does not feel the same way. He feels the overage will be double if not more in this coming summer. Andy agreed that the winter rate should go through April, not May. After discussion from all Board members it was agreed to eliminate May from the winter rates.

1.) Surcharge-Electric/Drought – Chris presented his thoughts to the board on this issue. It will be included as costs for conservation. Chris suggested \$.15 HCF year round. Chris suggested to change the wording to Electric/Conservation surcharge. The surcharge will need to be approved renewed annually.

David Nilsen moved to approve the 2017 Budget as presented and to change the winter rates to continue through April. The Surcharge will change to \$.15 HCF and be noted as Electric/Conservation surcharge. Luanne Uhl seconded the motion. The motion carried.

New Business

a.) Annual Meeting Agenda Items – Chris wanted the Board to start thinking about agenda items for the Annual Meeting. Some items mentioned briefly were Smoketree Well, By-Law change, LA County filter and well issues, PPHCSD issues, and grants just to start thinking about.

Next Meetings

The next meeting will be scheduled for January 19th, February 2nd and February 16th and the time will be at 6 PM.

CLOSED SESSION

Adjournment

Andy Zody moved to adjourn the meeting, Luanne Uhl seconded the motion. The motion carried. The meeting was adjourned at 8:32 PM

Respectfully Submitted;

David Nilsen
Board of Directors - Secretary/Treasurer