

**SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
DECEMBER 21, 2017
6:00 PM
Sheep Creek Water Company- Board Room
4200 Sunnyslope Road, Phelan, CA 92371**

AGENDA

- 1.) **Open Meeting- 6:00 PM**
 - a.) Flag Salute
 - b.) Invocation

- 2.) **Consent Motions**
 - a.) Minutes:
Regular Board of Directors Meeting of *November 16, 2017*
 - b.) Bills:
November 16, 2017 through December 21, 2017
 - 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.) Well #2A Update
 - c.) Well #11 Update

- 5.) **New Business**
 - a.) Race Communications New Meter Acct 1385
 - b.) Well #2A Pump Approval

- 6.) **Next Scheduled Meetings**

January 18, 2018 Regular Board Meeting
February 1, 2018 Workshop
February 15, 2018 Regular Board Meeting

- 7.) **Adjournment**

***SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
MINUTES OF
DECEMBER 21, 2017***

The Regular Board of Directors meeting of December 21, 2017, was called to order by Board Vice President Bob Howard, at 6:00 PM. Mr. Howard reminded everyone present that the meeting was being recorded for accurate meeting minutes. Kellie Williams led in the Pledge of Allegiance, and David Nilsen led in the Invocation.

Directors Present: Directors present were President Andy Zody, Vice President Bob Howard, Secretary/Treasurer Kellie Williams, and Director David Nilsen.

Staff Present: General Manager Chris Cummings and Administrative Secretary April Dryden Chaplin were present at tonight's meeting.

Guests Present: Shareholder Brek Randolph was present.

Consent Motions

Minutes: Regular Board of Directors Meeting of *November 16, 2017*

Bills: *November 16, 2017 through December 21, 2017*

Manager's Report of *December 21, 2017*

Open Forum: Mr. Randolph asked if the company had earthquake insurance. The Manager let Mr. Randolph that the company does have a commercial insurance. He was unsure if earthquake insurance was included. Mr. Randolph questioned if an earthquake was strong enough to damage Sheep Creek Water's system, what would they do? Chris answered that whatever our insurance did not cover, then the State would be an option along with FEMA. FEMA has been there in the past for the company. Chris stated that the company has material in stock for different types of emergencies.

Mr. Randolph asked what the value of the company is. Mr. Nilsen answered approximately, the value would be 40 million dollars. Mr. Randolph asked if the company ever was sold, would the shareholders be paid for their shares. Mr. Nilsen answered that it was a legal question, but it was his understanding, that under a hostile takeover, the judge would have the water company appraised and settle with a fair market value. Mr. Nilsen said that he would not want to see his shares go for less than \$2,500.00. Mr. Nilsen said that the Sheep Creek Water Company adjudicated water right is worth a lot of money.

Old Business

System Update – Chris Cummings reported that the static well levels have increased between 4 – 6 feet. Average water levels currently are down ten feet from this time last year. Current total production is 951 gallons per minute. The Tunnel continues to drop. Current Tunnel flow is 132 – 136 gallons per minute. Wells 5 & 8 are both pumping between 10 to 12 hours a night. Well 4A is pumping one to two days a week. The current usage still remains between 500 – 600,000 gallons a day.

The crew completed the final tie in for Phase 2 of the *Canyon Line Replacement*, last Tuesday. The old section, 1,500 feet of 10", is now abandoned. A pressure relief station still needs to be placed.

CRWA – The Manager reported that the California Rural Water Association has received the required amount of income surveys that are needed to begin the report to the state regarding a Grant.

Well 3A is came back with bad samples. Work will be started the first week in January, to hopefully take care of the issue.

Well 2A Update - After the video log of the brushing on Well 2A's casing, it was recommended to bore blast the casing, rather than proceed with the more costly chemical treatments or pressure washing options. The bore blast releases charges or nitrogen, which helps to loosen up the gravel pack and clear some of the perforations. The video appears to show sections of opened perforations which may indicate a location for the pump.

Well 11 Update – The final CEQA documents have been filed with the State Clearing House for Well #11. Chris Cummings is waiting for dates, as to when Layne will be available to begin. Tom, (Layne's Account Manager), will need to meet at the property to see what they will require from us, and what permits Sheep Creek will need to acquire, and also what Layne will need to obtain.

New Business

RACE Communications – New Meter Account 1385

* David Nilsen moved to accept RACE Communication's, request to buy a 2" meter for their property on Monte Vista. Bob Howard seconded the motion. Motion carried.

Well 2A Pump Approval

* Chris reported that there was not enough information for the proper pumping equipment to be approved at this meeting. It will be added to the agenda for the next meeting on January 18, 2017.

Next Scheduled Meetings

January 18, 2018 Regular Board of Directors Meeting

February 1, 2018 Workshop

February 15, 2018 Regular Board of Directors Meeting

Adjournment: Bob Howard moved to adjourn the meeting and go directly into *Closed Session*. Kellie Williams seconded the motion. Motion carried. The Regular Board of Directors Meeting of December 21, 2017, was adjourned at 7:00 PM.

Respectfully Submitted,

Kellie Williams

Secretary/Treasurer

Board of Directors