

SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
December 6, 2018 ~ 6:30 PM
SNOWLINE SCHOOL DISTRICT - Board Room
4075 Nielson Rd., Phelan, CA 92371

AGENDA

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

- 2.) **Consent Motions**
 - a.) Minutes:
November 15, 2018
 - b.) Bills:
November 15, 2018 through December 6, 2018
 - 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 #11- Update
 - c.) SWRCB Compliance Order NO. 05-13-18R-002- Update

- 5.) **New Business**
 - a.) 2019 Budget
 - b.) Account 568

- 6.) **Next Scheduled Meetings**
 - a.) December 20, 2018 Regular Board Meeting
 - b.) January 3, 2018 Regular Board Meeting

- 7.) **Adjournment**

Sheep Creek Water Company
Regular Board of Directors Meeting
December 6, 2018 ~ 6:30 PM
Snowline Joint Unified School District – Board Room
4075 Nielson Road, Phelan, CA 92371

The Regular Board of Directors Meeting of December 6, 2018 was called to order at 6:34 p.m. by Board President Andy Zody. Chris Cummings led in the Pledge of Allegiance and Bob Howard led in the Invocation. Mr. Zody thanked everyone for coming to the meeting and reminded the guests that the meeting was being recorded for accuracy of the meeting minutes.

Directors Present: Directors present tonight were President Andy Zody, Vice President Bob Howard, 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 Bernadette Bucnis, Robert Walker, George Cardenas, and Dawn Butler.

Consent Motions: Director Dave Nilsen moved to accept the Consent Motions as presented. Director Luanne Uhl seconded the motion. Motion Carried.

- a.) Minutes ~ *November 15, 2018* Regular Board of Directors Meeting
- b.) Bills ~ *November 15, 2018* through *December 6, 2018*
- c.) Manager's Report

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 Chris if he could find out if CRWA is going to be able to start on the CEQA for the new well in a timely matter and if not if we could direct the Manager to move forward on it. Dave also said he would like to have the staff research ways to get water from the new well to the tank site so it can be pumped in off peak hours to save on electrical costs. He also said that it needs to be completed by June 1, 2019.

Mr. Howard asked if we have located any areas where we might feel it would be a good place to do a test hole. Dave stated they said down near Mills Hardware might be a probable sight. Dave also stated that it would be worth the money to do some test holes and would like it to be put on the agenda for the next meeting so we can get moving on it.

Chris told the board that he had a request from a production company, Camp Productions, which is doing some photo shoots for Bloomingdale's and are interested in using our property on Sunnyslope. Andy expressed his concern about insurance. The board agreed that as long as they have insurance it would be fine.

Mr. Zody said he would like to have the idea of the next \$30 Assessment put on the next agenda. Andy pointed out that we still owe on the loan for the Well #11 and the assessment will help us get the next CEQA study started. Dave agreed that it's important to figure out how to pay for all this but suggested a Directors Workshop to discuss some issues and options. The Board agreed to a Workshop.

Old Business:

a.) System Upgrade ~ Update

General Manager Chris Cummings reported the static water levels have maintained due to the pumping times being reduced. Average water levels are down 29-54 feet compared to 3 years ago. Current total production with the current sources running is 470 GPM with the tunnel flow fluctuating between 116-118 gpm. Total pumping capacity is down 422 gpm from one year ago. Well 5 is running an average of 10-13 hours a day with Well 8 running 8-10 hours a day. Current usage is down to about

340,000 gallons per day. CRWA is still working on the full system leak detection. There have not been any leaks but they have come across several bad meters or slow reading meters. Tank inspections and cleaning were completed last week. Several tanks required additional hours of cleaning due to excessive calcium deposit at the bottom of the tanks.

CRWA- The engineering report that CRWA has been working on for the last 6 months was completed last week and submitted to the SWRCB Division of Drinking Water and Division of Financial Assistance for their review and their review, according to other reports, it is taking 3-4 months for review. There was some confusion and misunderstanding with DFA and the DDW. DFA was going to close out our application and no longer give Sheep Creek any assistance. Due to Sheep Creek completing Well 11 on our own dime and contracting with an engineer to do a feasibility study. Chris had a conference call between CRWA, DDW, and DFA to clarify that Sheep Creek began Well 11 before we applied for any grant assistance that's why the project was paid for by Sheep Creek and not included in the project for grant assistance. Sheep Creek is still in need of additional sources possibly up to 2 wells plus a number of system upgrades. It was also discussed that the feasibility study that Sheep Creek is currently working on was required by DDW. DFA is waiting for the results of the report by IEC before they proceed. CRWA is seeing if they can move ahead without approval of the report and begin working on the CEQA on all the projects they are recommending. If they can proceed then CEQA will be included in their package instead of Sheep Creek moving ahead. Chris hopes to have answers in the next couple of weeks.

b.) Well #11 ~ Update

AQMD has approved the permit for the rental generator to run for 6 hours a day 6 days a week. Chris should have bids later this month for the cost of a new and possibly larger generator than the one currently owned by Sheep Creek. Following the approval of the AQMD permit the SWRCB issued the Permit Amendment for Well 11 as an approved water source for Sheep Creek. SCE is still in the process of designing the project. Our electrician is also working on the plans for a 600 amp service for Well 11 and will be submitted to Edison next week for their approval. Following their approval the meter and service panel will be ordered.

c.) SWRCB Compliance Order NO. 05-13-18-R-002 ~ Update

IEC and Chris met with the SWRCB last week to discuss the reduction in the MDD. IEC indicated to the State Board that the true MDD would be approximately 1.76 MGD rather than the 2.09 they have in the compliance order. There was an error in the reading for July 12 on Well 8. With that corrected along with the 4 meters that were removed from the high school that would reduce the MDD down to 1.76 MGD. The State Board indicated they would not reduce the MDD below the 1.76 even with conservation and the reduced allotment because there's no guarantee that the water use would remain at the current usage.

Yesterday the SWRCB gave an extension for the draft report to be completed by December 17 and final draft completed by January 14, 2019.

Chris sent another letter to the SWRCB last week for a request to reissue several Will Serve Letters. The State approved this week to allow 10 properties to have reissued Will Serve Letters, 3 residential and 2 commercial. Chris will be contacting the County Land Use Services to let them know.

New Business:

a.) 2019 Budget:

Luanne Uhl made a motion to approve the Budget as presented contingent with the following changes;

- Remove the existing Electrical surcharge as approved in the 2018 Budget.
- As approved in the 2018 Budget, include \$9.00 from the base rate to be used for capital improvement.
- Verify Mojave Water Agency Replacement cost.
- Include portion of overage charge for capital improvement.

Kellie Williams second the motion. Motion carried.

b.) Account 568:

There was no approval from the board and no action was taken.

Next Scheduled Meetings

December 20, 2018- Regular Board Meeting

January 3, 2019- Board Workshop

January 24, 2019- Regular Board Meeting

Adjournment:

Mr. Nilsen made the motion to adjourn the meeting. Ms. Williams seconded the motion. Motion carried. The Regular Board of Directors meeting of December 6, 2018 was adjourned at 7:35 PM.

Respectively Submitted,

Kellie Williams

Secretary/Treasurer

Sheep Creek Water Company