

SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
APRIL 5, 2018 ~ 6:30 PM
Sheep Creek Water Company- Board Room
4200 Sunnyslope Road, Phelan, CA 92371

AGENDA

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

- 2.) **Consent Motions**
 - a.) Minutes:
 - Regular Board of Directors Meeting of *February 15, 2018*
 - Regular Board of Directors Meeting of *March 1, 2018*
 - b.) Bills:
 - March 1, 2018 through April 5, 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.) **Presentation- CRWA- ED Marlow**

- 5.) **Old Business**
 - a.) System Update
 - b.) Well #11 Update
 - c.) Annual Meeting

- 6.) **New Business**
 - a.) Tank Inspections- Liquid Vision Divers
 - b.) PPHCSD Water Exchange Agreement

- 7.) **Next Scheduled Meetings**
 - April 19, 2018 Regular Board Meeting
 - May 3, 2018 Board Workshop
 - May 17, 2018 Regular Board Meeting

- 8.) **Closed Session**
 - a.) Employee Evaluation

- 9.) **Adjournment**

***SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
MINUTES OF
APRIL 5, 2018***

The Regular Board of Directors Meeting of April 5, 2018, was called to order by President Andy Zody at 6:31 PM. Guest, Christopher Williams, led in the Pledge of Allegiance. Bob Howard led in the Invocation. Mr. Zody reminded those present that all meetings are recorded, in order to obtain accurate meeting minutes.

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

Staff Present: Manager Chris Cummings, and Administrative Secretaries April Chaplin and Dorothy Zody were present at tonight's meeting.

Guests Present: Tonight's guests were, Shareholders, Jeanette Gehrke, and Diane Hayball. Also from California Rural Water Association, Ed Marlow was present, along with Serrano High School student, Christopher Williams.

Consent Motions: David Nilsen moved to accept the Consent Motions as presented. Bob Howard seconded the motion. Motion carried.

Minutes of February 15, 2018 & March 1, 2018

Bills of March 1, 2018 through April 5, 2018

Manager's Report

Open Forum:

Christopher Williams asked for a donation towards his project with this year's San Bernardino County Fair. Luanne Uhl moved to accept Christopher William's presentation for this year's San Bernardino County Fair with a donation of \$200.00. Bob Howard seconded the motion. Motion carried. (Mr. Nilsen & Mrs. Williams abstained)

Jeannette Gehrke expressed her concern about water for her horses. Chris Cummings explained that customers need to be aware of water conservation ideas and that he allotment is based on the production at the well site. Water levels and water production have not increased and are below what they were last year. Mr. Nilsen explained that water tables have dropped over the years. There is no guarantee that the water will always be there.

Diane Hayball expressed her concern with the "disconnect" she feels with the Board and the public. The Board will not discuss Company issues on social media. Mrs. Hayball asked about Shareholder loans. David Nilsen explained that any Shareholder can loan the company money with a minimum of \$25,000. The loans are unsecured. Mr. Nilsen stated that Shareholder loans are a benefit to the company since the interest rates are less then what the company would pay to the bank. Mrs. Hayball explained that she was asking for a friend, but, wanted to know how often the new skip loader is being used. Chris Cummings explained to her that the skip loader is a useful piece of equipment to the water company and is often used for road repairs and water main installations.

Presentation – CRWA / Ed Marlow

Ed Marlow gave a brief update on the status of the Prop 1 grant funding process. Mr. Marlow explained to the Board about the Consolidation Evaluation. The Consolidation

Evaluation is required by the State as options. Consolidation Evaluation will not require the company to consolidate, the report gives recommendations if necessary. CRWA is not recommending consolidation as an option. There was discussion amongst the Board regarding the concern of the Consolidation Evaluation Report. At this time, the Board is not interested in the idea of consolidation. David Nilsen discussed the investment that the Shareholders have put into the Sheep Creek Water Company. Mr. Marlow gave an update as to the progress of the Engineering Report.

Old Business:

System Update – Chris Cummings reported that there was no change on the static well levels. Average water levels currently are down 14-35 feet from this time last year. Current total production is 1348 gallons per minutes with the Tunnel flow at 127 gallons per minute. Wells 5 & 8 are pumping 5 – 10 hours per day. Current usage remains between 400 – 600,000 gallons per day. The crew has been spending a significant amount of time working with the RACE contractors in locating lines and marking water lines. We have had 3 breaks due to mismarking.

Well #11 – Layne Christensen completed rigging up yesterday and began drilling this morning. The Storm Water Prevention Plan has been completed and submitted to the State Water Board. The State Water Resources Board is completing the Mitigation Monitoring and Reporting Plan, and once a few signature are obtained, the CEQA permit will be complete. The nesting Bird survey was completed last week with no issues on the property. Due to the increases in the steel cost, we are looking to install 14" Ful-Flo Louvered casing rather than 16" mill slot. All the material to begin the Smoke Tree line replacement for Well 11 has been delivered, and as soon as we can, we will begin installing.

Annual Meeting – The following budget found in Directors packet, is the remaining minimum work needed to complete the new Well 11 project. The total remaining estimate of the project is 1,342,000 which includes all cost needed as of today. After the total assessments collected to date, the estimate for the remaining funds needed are \$892,000. Based on the \$892,000, the remaining assessment if paid in full, which includes the next \$30.00 assessment is \$112 per share. An assessment with interest would be an estimated \$150 or five \$30.00 assessments. These costs are estimates, for the well pumping directly into the system and no water treatment needed.

The Ballot, for the Annual Meeting, will be available at the next Board Meeting.

New Business:

Tank Inspections – Liquid Vision Divers

David Nilsen moved to accept Liquid Vision Divers to clean the tanks as presented. Kellie Williams seconded the motion. Motion carried.

PPHCSD Water Exchange Agreement

David Nilsen moved to accept the water exchange agreement for the PPHCSD as presented. Kellie Williams seconded the motion. Motion carried.

Next Scheduled Meetings

April 19, 2018 – Regular Board Meeting

May 3, 2018 – Board Workshop

May 17, 2018 – Regular Board Meeting

Closed Session: Closed Session was called at 9:00 PM for an Employee Evaluation

Adjournment: David Nilsen moved to adjourn the meeting. Luanne Uhl seconded the motion. Motion carried. The Regular Board of Directors meeting of April 5, 2018 was adjourned at 9:05 PM.

Respectfully Submitted,

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