

**SHEEP CREEK WATER COMPANY**  
**REGULAR BOARD OF DIRECTORS MEETING**  
**MAY 18, 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 *April 20, 2017*
  - b.) Bills:  
*April 20, 2017 through May 18, 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
  
- 5.) **New Business**
  - a.) 2017 Annual Shareholder Meeting
    - i.) Emergency Canyon Line Replacement- Loan Payment
    - ii.) By-Law 8.08 Amendment
    - iii.) Well #11
  - b.) Presentation- Christopher Williams
  - c.) Allotment
  - d.) State Water Resource Control Board Update
  
- 6.) **Closed Session**
  - a.) Property Contract
  
- 7.) **Next Scheduled Meetings**
  
- 8.) **Adjournment**

**SHEEP CREEK WATER COMPANY  
REGULAR BOARD OF DIRECTORS MEETING  
MINUTES OF  
MAY 18, 2017**

The Regular Board of Directors meeting of May 18, 2017, was called to order at 6:04 PM by Andy Zody. Mr. Zody reminded those present, that the meeting was being recorded for accuracy of the minutes.

David Nilsen led in the Pledge of Allegiance and Bob Howard led the Invocation.

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

**Staff Present:** *Chris Cummings* ~ General Manager and *April Chaplin* ~ Administrative Secretary, were present at this meeting.

**Guests Present:** Guests present were *Carmen Scherubel* and *Christopher Williams*.

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

**Open Forum:** Dave Nilsen moved to go forward to test the MagNation filter system. Kellie Williams seconded the motion. Motion carried.

**Old Business:**

**System Update** ~ Static and pumping well levels are decreasing as pumping is increasing. The static levels have dropped between 2-8 feet. Production on the wells is decreasing. Well 3A has dropped 40 gallons per minutes. Wells 3A and 8 are pumping 10-15 hours per night. Well 5 is running 1-2 days a week. All Well VFD's have been repaired. All sources have had monthly sampling completed. The tunnel showed some increase for a couple weeks but is starting to drop again. Currently it is flowing 146-148 GPM. Our total pumping capacity is at 1,400 GPM. Well 2A is on stand-by due to low production and it's affect to Wells 3A and 4A water levels.

*New Well* ~ San Bernardino County Land Use Services will be Lead Agency for the CEQA. The applications have been prepared and will be submitted.

*Prop 1 Grant Funding* ~ Neil Clifton with the CRWA will have the application for funding by the end of this week. The application will be for two pilot holes for wells. We are looking at drilling a hole in the yard and see if the state will approve funding to drill a hole for Well 11. The state may not approve any funding for Well 11 due to the company beginning the project already. Included with the well in the yard, we have asked for a booster station to push water up to Tank 6.

**New Business:**

2017 Annual Shareholder Meeting

**Emergency Canyon Line Replacement / Loan Payment:** Bob Howard moved to accept the Emergency Canyon Line Replacement and keep the \$3.00 on the billing as was voted at the Annual Meeting. Kellie Williams seconded the motion. Motion carried.

**By-Law 8.08 Amendment:** Luanne Uhl moved to accept the By Law Amendment as presented and voted for, by the Shareholders. David Nilsen seconded the motion. Motion carried.

**Well #11:** David Nilsen moved to accept the assessment to proceed with drilling Well #11. Bob Howard seconded the motion. Motion carried.

**Presentation:** Christopher Williams asked for a donation for the San Bernardino County Fair. Bob Howard moved to donate \$200.00 to the San Bernardino County Fair. Luanne Uhl seconded the motion. Motion carried. Kellie and David abstained from the vote.

**Allotment:** Luanne Uhl moved to keep the first share at 1,000 cubic feet, and drop the allotment to 350 cubic feet along with the prepared letter to be sent to the shareholders. This, to go into effect after the May 2017 meter reading, for the June 2017 water billing. Kellie Williams seconded the motion. Motion carried.

**State Water Resource Control Board Update: State Water Resource Control Board ~** Chris met with the SWRCB last week, regarding the company's water situation and the alternative source that is to be installed. The SWRCB will continue to monitor the water situation and want to receive system updates and project updates as they become available. They want to see the company continue to cut water use. If additional rationing is necessary, we need to be prepared. The SWRCB thinks that Sheep Creek needs to move away from Well 10 and add additional water sources within our district. The time, cost and the contamination issue makes this project not a viable solution to Sheep Creek's needs. If we get water and the chromium is high, we can blend at the tanks in the yard, but, we will not be able to install the booster station.

**Closed Session:** Closed session began at 7:15 PM. Regarding Well #11 Property Contract

**Next Scheduled Meeting:** *June 8, 2017* Workshop  
*June 22, 2017* Regular Board Meeting (Public)  
*July 20, 2017* Regular Board Meeting (Public)

**Adjournment:** David Nilsen moved to adjourn the meeting. Luanne Uhl seconded the motion. Motion carried. The Regular Board of Directors Meeting of May 18, 2017 was adjourned at 7:30 PM.

**Respectfully Submitted,**

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