March 17, 2020

System No. 3610109

Chris Cummings, General Manager
Sheep Creek Water Company
P.O. Box 291820
Phelan, CA 92329
sheepcreek@verizon.net

COMPLIANCE ORDER NO.05_13_18R_002A1
SOURCE CAPACITY VIOLATION

Enclosed is Compliance Order No. 05_13_18R_002A1 (hereinafter "Order"), issued to the Sheep Creek Water Company public water system (hereinafter "System"), public water system. Please note there are legally enforceable deadlines associated with this Order.

The System will be billed at the State Water Resources Control Board's (hereinafter "State Water Board"), hourly rate for the time spent on issuing this Order. California Health and Safety Code (hereinafter "CHSC"), Section 116577, provides that a public water system must reimburse the State Water Board for actual costs incurred by the State Water Board for specified enforcement actions, including but not limited to, preparing, issuing and monitoring compliance with an order. At this time, the State Water Board has spent approximately 2 hour(s) on enforcement activities associated with this violation.

The System will receive a bill sent from the State Water Board in August of the next fiscal year. This bill will contain fees for any enforcement time spent on the System for the current fiscal year.

Any person who is aggrieved by a citation, order or decision issued under authority delegated to an officer or employee of the state board under Article 8 (commencing with CHSC, Section 116625) or Article 9 (commencing with CHSC, Section 116650), of the Safe Drinking Water Act (CHSC, Division 104, Part 12, Chapter 4), may file a petition with the State Water Board for reconsideration of the citation, order or decision.

Petitions must be received by the State Water Board within 30 days of the issuance of the citation, order or decision by the officer or employee of the state board. The date of issuance is the date when the Division of Drinking Water mails a copy of the citation, order or decision. If the 30th day falls on a Saturday, Sunday, or state holiday, the petition is due the following business day by 5:00 p.m.

Information regarding filing petitions may be found at:

http://www.waterboards.ca.gov/drinking_water/programs/petitions/index.shtml

If you have any questions regarding this matter, please contact Hector Cazares of my staff at (909) 383-4312 or me at (909) 383-4328.

Sincerely,

Sean F. McCarthy, P.E.
Chief, South Coast Section
Southern California Field Operations Branch

Enclosures:

Certified Mail No. 7017 0660 0001 1704 8464

cc: David Alaniz, SB County EHS, via email at David.Alaniz@dph.sbcounty.gov
Gabriela Garcia, SB County EHS via email at Gabriela.Garcia@dph.sbcounty.gov

Compliance Order No. 05_13_18R_002A1

STATE OF CALIFORNIA

STATE WATER RESOURCES CONTROL BOARD

DIVISION OF DRINKING WATER

Name of Public Water System: Sheep Creek Water Company

Water System No: 3610109

Attention: Chris Cummings, General Manager
P.O. Box 291820
Phelan, CA 92329

Issued: March 17, 2020

AMENDED COMPLIANCE ORDER FOR VIOLATION OF CALIFORNIA HEALTH AND SAFETY CODE SECTION 116555(a)(3) AND CALIFORNIA CODE OF REGULATIONS, TITLE 22, SECTION 64554

SOURCE CAPACITY VIOLATION

2018

The California Health and Safety Code (hereinafter "CHSC"), Section 116655 authorizes the State Water Resources Control Board (hereinafter "State Water Board"), to issue a compliance order to a public water system when the State Water Board determines that the public water system has violated or is violating the California Safe Drinking Water Act (hereinafter "California SDWA"), (CHSC, Division 104, Part 12, Chapter 4,

commencing with Section 116270), or any regulation, standard, permit, or order issued or adopted thereunder.

The State Water Board, acting by and through its Division of Drinking Water (hereinafter "Division"), and the Deputy Director for the Division, hereby issues Compliance Order No. 05_13_18R_002A1 (hereinafter "Order") pursuant to Section 116655 of the CHSC to the Sheep Creek Water Company (hereinafter "System"), for violation of CHSC, Section 116555(a)(3), requiring a reliable and adequate supply of pure, wholesome, healthful, and potable water, and California Code of Regulations (hereinafter "CCR"), Title 22, Section 64554, setting source capacity requirements.

STATEMENT OF FACTS

The System is classified as a community public water system with a population of 3,354 serving 1,183 connections. The System operates under Domestic Water Supply Permit No. 78-007 issued by the State Water Board on February 9, 1978.

The System relies on six (6) groundwater wells: Wells 2A, 3A, 4A, 5, 8, 11 and one (1) tunnel source which is also classified as groundwater.

As a result of Compliance Order No. 05-13-18R-002 the State Water Board imposed a service connection moratorium which directed the System to not make any additional service connections to its water system, including any such service connections for which a "will serve" letter was issued at any time by the System, but for which a building permit was not issued prior to the date of Compliance Order No. 05-13-18R-002.

On November 28, 2018 the State Water Board permitted Well 11 as an approved potable source for the System. The well is equipped to supply up to 251 gallons per minute (gpm) into the distribution system per the initial pump test completed on July 16, 2018.

On January 14, 2019 the System completed a feasibility report addressing the water source capacity issue which included an assessment of consolidation with a nearby public water system. The feasibility report has been attached to this Order as Appendix 1. The feasibility study discussed cost estimates, including the operation and maintenance (O&M) costs, and the potential environmental impacts of each of the options considered. The report identified and assessed two alternatives; either maintain the System as an independent water purveyor by drilling and operating additional water supply wells to meet MDD requirements or have the System consolidate with Phelan Pinon Hills Community Services District. In accordance with the feasibility study the cost for consolidation would amount to a net present value of $3.4 million dollars including operation and maintenance costs in comparison to the net present value of $6.5 million dollars including operation and maintenance costs to maintain the System as a public water purveyor and drill additional sources. Based on the cost analysis of the feasibility report, the consolidation with Phelan Pinon Hills Community Services District would be the more feasible alternative. However, based on discussions with the System's general manager and the System's board of directors, the preferred alternative was identified in the report as maintaining the System as an independent water purveyor by drilling and operating additional water supply wells to meet MDD requirements.

On August 17, 2019 the System held a special meeting for System shareholders to present the alternatives for compliance. Based on the System's voting procedure the shareholders gave authority to proceed with drilling the additional sources required to meet the System's source capacity requirements rather than consolidate with Phelan Pinon Hills Community Services District. This information was provided by the System to the Division from a letter submitted by the System on August 28, 2019. The letter has been attached to this Order as Appendix 2.

On August 28, 2019 the Division received a corrective action plan which stated that with the approval of the System's shareholders, the System's board of directors is prepared to proceed with the development of additional water source facilities to bring the System into compliance with source capacity requirements. Based on the timeline included in the corrective action plan the System will be in compliance with source capacity requirements by no later than October 1, 2023. The corrective action plan was approved by the Division on January 3, 2020 and has been attached to this Order as Appendix 2. As part of the corrective action plan's approval the Division has addressed financial concerns on the feasibility of this project. Within the approval the Division has stated that the System should assess all the financial risks that could result from this project and has advised the System to be prepared in budgeting the project without causing financial hardship on the System or its shareholders.

CHSC, Section 116555(a)(3) requires all public water systems to provide a reliable and adequate supply of pure, wholesome, healthful, and potable water and CCR, Title 22, Section 64554(a) requires that public water systems shall at all times have the capacity to meet the System's maximum day demand (MDD) as established by Section 64554 subsection (b).

DETERMINATION

Based on the above Statement of Facts, the State Water Board has determined that without additional source capacity, the System may not be able to provide an adequate and reliable supply of water to its customers and has failed to comply with requirements from CHSC, Section 116555(a)(3) and CCR, Title 22, Section 64554. The Division has the authority under Sections 116655 (a)(2) and 116655 (b)(4) of the CHSC to take steps necessary to prevent increasing water demands for the System until such time that an adequate and proven source capacity is provided.

DIRECTIVES

To ensure that the water supplied by the System is at all times reliable and adequate, the System is hereby directed to take the following actions:

1. Upon receipt of this Order, the Division continues to impose a service connection moratorium on the System and directs the System to not make any additional service connections to its water system, including any such service connections for which a "will serve" letter was issued at any time by the System, but for which a building permit was not issued prior to the date of Compliance Order No. 05-13-18R-002 being issued. As used in this Order, "will serve" letter means any form of notice, representation or agreement that the System will supply water to a property, parcel or structure
2. Per Section 116530 of the California Health and Safety Code, the Division requires that information related to the System's financial capacity be submitted no later than **August 31, 2020**. For the purpose of this directive, the financial information must include, but is not limited to the following:
    a. An overall evaluation of the financial health of the system by a Certified Public Accountant or appropriately qualified financial officer. The evaluation must include and take into consideration audited financial statements from the past 5 years, monthly revenue and expenses from the past 5 years, management and status of outstanding debt and impending debt that will be accrued as a result of the requirements outlined in this Order and from any other planned water system expenses, documentation demonstrating how funding for the requirements outlined in this Order will be secured and financed, information on the expected increase in operational expenses due to the requirements outlined in this Order, management and status of the System's reserve funds, and information on

the System's rate structure and any proposed rate increases that are anticipated. The evaluation must include a concluding statement on the System's overall current and anticipated financial health.

b. An asset management plan (AMP) must be completed by the System. The AMP must include an inventory of the System's infrastructure components, a description of the components' condition, age, service history, and useful life, criteria to determine when to repair, rehabilitate or replace assets, a prioritization of critical assets, long term funding strategies, and a timeline delineating the schedule for the System's asset management plan.

c. A summary of operational costs associated with operation of Well 11. The summary must consider average operational costs and usage since the issuance of the Division's permit for Well 11 on November 28, 2018.

d. The System must complete the Financial Assessment Questionnaire for Disadvantaged Medium/Large Community Water Systems included in Appendix 3 of this Order. The questionnaire provides several resources and guidance documents that are available to assist the System in completing items a & b of this directive.

3. As stated in Directive No. 8 of Compliance Order No. 05-13-18R-002 the System must perform the State Water Board approved Corrective Action Plan, and each and every element of said plan, according to the time schedule set forth therein.

4. In accordance with CCR, Title 22, Section 64554(a), a public water system must at all times have adequate source capacity to meet the highest 10-year MDD, which for the System would be 1,970,000 gallons per day recorded from July 2014. Using the System's most conservative production yield records from July 2018, the System only produced a combined source flow of 720,000 gallons per day. Since the System's lowest production yield in July 2018, Well 11 was installed, adding an additional 360,000 gallons per day in source capacity.

Therefore, the System must construct and submit permit application(s) for additional water supply sources until an additional 890,000 gallons per day of production is achieved, which equates to the difference between the System's 10-year MDD and its lowest record of production. The System shall achieve compliance with all source capacity requirements as described in CCR, Title 22, Section 64554 no later than **December 1, 2023.** A source capacity evaluation has been included in Appendix 4 of this Order.

5. Per the State Water Board approved Corrective Action Plan, the System shall have Well No. 12 constructed and equipped for operation into the distribution system no later than **June 1, 2022.**

6. Per the State Water Board approved Corrective Action Plan, the System shall have Well No. 13 constructed and equipped for operation into the distribution system no later than **November 1, 2022.**

7. Per the State Water Board approved Corrective Action Plan, if deemed necessary to comply with source capacity demand requirements as described in Directive 3 of this Order, the System shall have Well No. 14 constructed and equipped for operation into the distribution system by no later than **June 1, 2023.**

8. Per the State Water Board approved Corrective Action Plan, if deemed necessary to comply with source capacity demand requirements as described in Directive 3 of this Order, the System shall have Well No. 15 constructed and equipped for operation into the distribution system by no later than **November 1, 2023.**

9. The System must complete and submit to the Division pump tests for all sources demonstrating compliance with the source capacity requirements described in Directive 3 of this Order no later than **December 1, 2023**. Pump tests shall be

completed in accordance with the procedures stated under CCR, Title 22, Section 64554(f).

10. On or before **April 10, 2020** and every three months thereafter, submit a report to the State Water Board in the form provided as Appendix 5 showing actions taken during the previous quarter (calendar three months) to comply with the Corrective Action Plan.

11. On or before **April 10, 2020** and every month thereafter, submit a report to the State Water Board summarizing source production and consumption data for the previous month.

12. On or before **April 17, 2020** complete and return to the State Water Board the "Notification of Receipt" form attached to this Order as Appendix 6. Completion of this form confirms that the System has received this Order and understands that it contains legally enforceable directives with due dates.

All submittals required by this Order, with exception of analytical results, must be electronically submitted to the State Water Board at the following address. The subject line for all electronic submittals corresponding to this Order must include the following information: Water System name and number, compliance order number and title of the document being submitted.

Eric J. Zúñiga, District Engineer

Dwpdist13@waterboards.ca.gov

The State Water Board reserves the right to make modifications to this Order as it may deem necessary to protect public health and safety. Such modifications may be issued as amendments to this Order and shall be effective upon issuance.

Nothing in this Order relieves the System of its obligation to meet the requirements of the California SDWA (CHSC, Division 104, Part 12, Chapter 4, commencing with Section 116270), or any regulation, standard, permit or order issued or adopted thereunder.

PARTIES BOUND

This Order shall apply to and be binding upon the System, its owners, shareholders, officers, directors, agents, employees, contractors, successors, and assignees.

SEVERABILITY

The directives of this Order are severable, and the System shall comply with each and every provision thereof notwithstanding the effectiveness of any provision.

FURTHER ENFORCEMENT ACTION

The California SDWA authorizes the State Water Board to issue a citation or order with assessment of administrative penalties to a public water system for violation or continued violation of the requirements of the California SDWA or any regulation, permit, standard, citation, or order issued or adopted thereunder including, but not limited to, failure to correct a violation identified in a citation or compliance order. The California SDWA also authorizes the State Water Board to suspend or revoke a permit that has been issued to a public water system if the public water system has violated applicable law or regulations or has failed to comply with an order of the State Water Board, or to petition the superior court to take various measures against a public water system that has failed to comply with an order of the State Water Board, including issuance of an injunction to enforce a compliance plan, enjoining further service connections, or any other relief that may be required to ensure compliance with the SDWA and applicable regulations. The State Water Board does not waive any further enforcement action by issuance of this Order.

Sean F. McCarthy, P.E.

March 17, 2020

Sean F. McCarthy, P.E. — Date

Chief, South Coast Section

Southern California Field Operations Branch

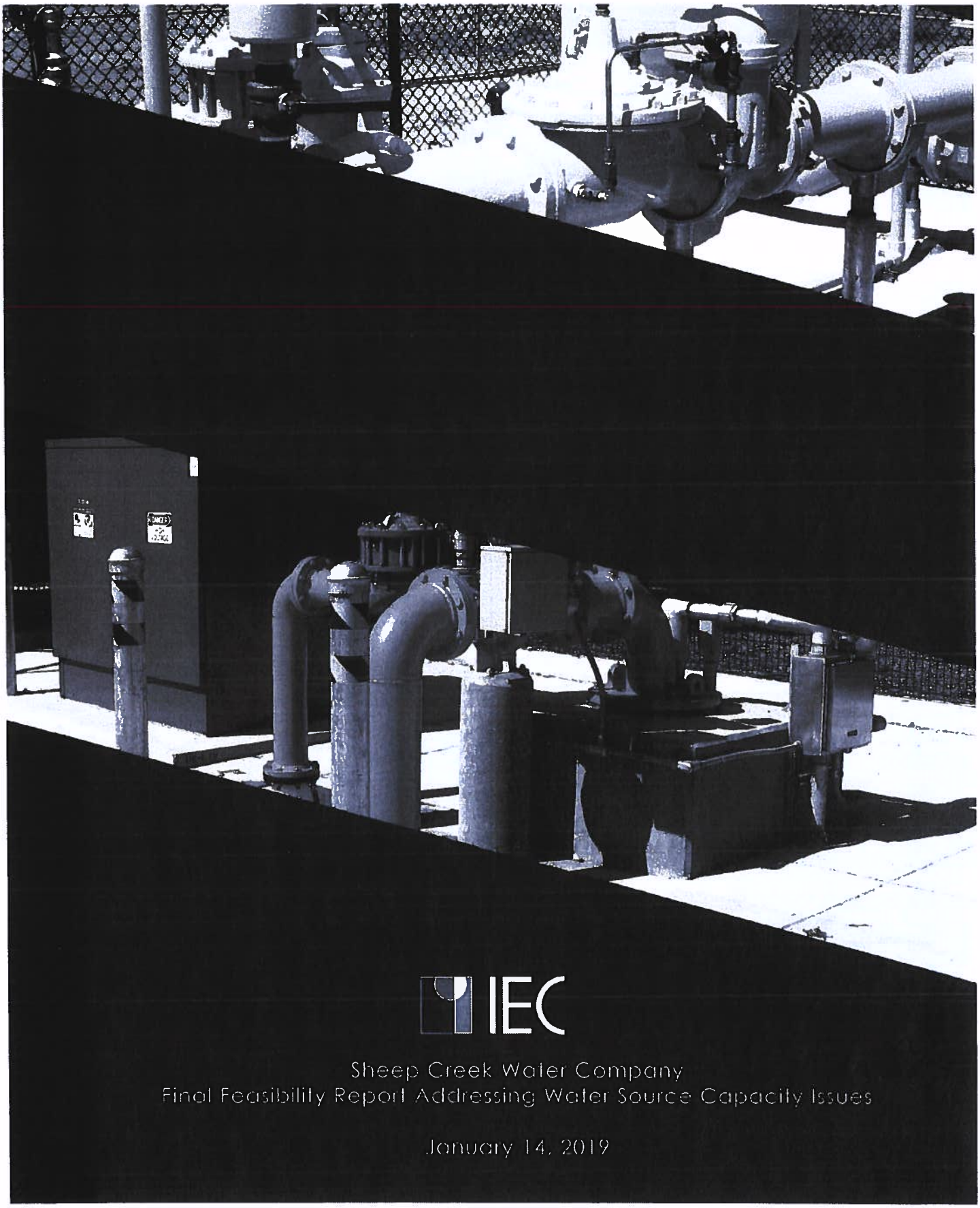
Appendices [7]:

1. Feasibility Report for Addressing Water Source Capacity Issues
2. State Water Board Approved Corrective Action Plan
3. Financial Assessment Questionnaire for Disadvantaged Medium/Large Community Water Systems
4. Source Capacity Evaluation
5. Quarterly Progress Report
6. Notification of Receipt Form
7. Compliance Order No. 05_13_18R_002

Certified Mail No. 7017 0660 0001 1704 8464

Appendix 1

Feasibility Report for Adressing Source Capacity Issues IEC



IEC

Sheep Creek Water Company
Final Feasibility Report Addressing Water Source Capacity Issues

January 14, 2019

Final Feasibility Report for Sheep Creek Water Company Addressing Water Source Capacity Issues

Prepared for:

Sheep Creek Water Company
4200 Sunnyslope Rd
Phelan, CA 92371

January 14, 2019

Prepared by:
Infrastructure Engineering Corporation
1401 Commercial Way, Suite 100
Bakersfield, CA 93309

Dolores Salgado, P.E.
Project Manager

IEC

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APPENDICES

1.0 Introduction

The Sheep Creek Water Company (SCWC) is a private water company that owns the water system recognized as the Sheep Creek Water Company Water System (Water System No. CA3610109) by the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW). The water system is classified as a Community Water System and supplies water for domestic purposes to unincorporated portions of San Bernardino County in Phelan, CA. DDW regulates the water system under Domestic Water Supply Permit No.78-007 as issued on February 9, 1978. The Permit was recently amended to include a new supply source Well 11, which is located within the adjudicated Upper Mojave River Valley Basin (Basin No. 6-042).

Figure 1 shows SCWC's service area and an overview of their water system. The service area is approximately 7,000 acres. The SCWC relies on source of supply from five (5) wells and a water tunnel located within the El Mirage Basin (Basin No. 6-043) in the Swarthout Canyon in the San Gabriel Mountains.

2.0 Description of Problem

In 2015 the State of California issued a 25% mandatory reduction in water usage and required water purveyors to notify users and adopt policies to enforce the mandate. SCWC controls water usage by reducing or increasing the amount of water allotted per share, which prior to 2015 the allotment was 1,350 cubic feet per share. Then to discourage users from exceeding their allotted amount SCWC charges an overage fee, the standard fee was $2.50 per 100 cubic feet. Effective May 1, 2015 SCWC reduced the water allotment from 1,350 cubic feet (cf) to 1,000 cf.

Due to the continued drought in California and the decline in SCWC's water production, on August 30, 2018 the SCWC received a Compliance Order (No. 05-13-18R-002) Source Capacity Violation from the State Water Resources Control Board, Division of Drinking Water (DDW) plus an imposed service connection moratorium, which became effective immediately. DDW cited the violation of California Code of Regulations (CCR) Title 22, section 64554(a), which states that a public water system must at all times have adequate source capacity to meet the system's highest maximum day demand (MDD); DDW cited a MDD of 2.09 MGD. DDW stated that SCWC's total source capacity as of August 2018 was 0.72 MG, which renders a MDD deficiency of 1.37 MG.

The board continues to monitor the drought conditions and the declining water supply. **Table 2.1** shows the progression of action taken by the board to reduce water allotments and increase overage fees. Today, all 8,000 shareholders adjusted to an allotment of 750 cf for their first share, 150 cf for their remaining shares and overage fees of $6.32 per 100 cf. SCWC expects the current allotment and overage fees to remain in effect throughout 2019. The Board's Action Plan is included in **Appendix D**.

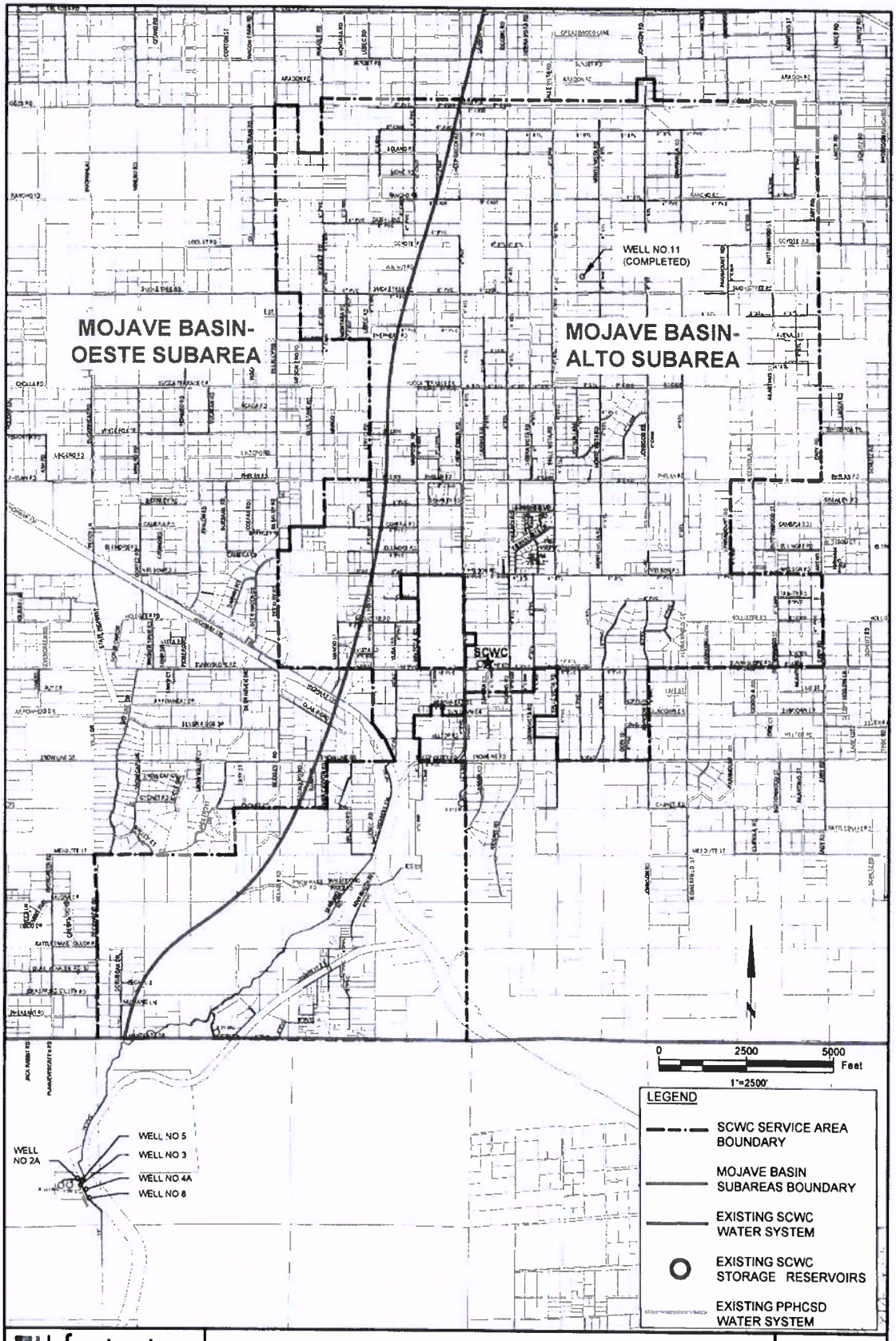
Table 2.1 Reduction of Water Allotments and Increased Overage Fees

Adopted Water Allotment	Source	Date Implemented
Monthly Base Rate at $55 All Shares 1,000 cf at $0.50 per 100 cf Overages $2.50 per 100 cf	Wrightwood Well Field	May 1, 2015
Monthly Base Rate at $55 First Share 1,000 cf at $0.50 per 100 cf Other Shares 500 cf at $0.50 per 100 cf Overages $3.50 per 100 cf	Wrightwood Well Field	October 20, 2016
Monthly Base Rate at $55 First Share 1,000 cf at $0.50 per 100 cf Other Shares 350 cf at $0.50 per 100 cf Overages $3.85 per 100 cf	Wrightwood Well Field	May 22, 2017
Monthly Base Rate at $55 First Share 1,000 cf at $0.50 per 100 cf Other Shares 350 cf at $0.50 per 100 cf Overages $4.25 per 100 cf	Wrightwood Well Field	May 19, 2018
Monthly Base Rate at $55 First Share 750 cf at $0.50 per 100 cf Other Shares 150 cf at $0.50 per 100 cf Overages $7.40 per 100 cf	Wrightwood Well Field	July 20, 2018
Monthly Base Rate at $55 Tier 1: First Share 750 cf at $0.50 per 100 cf Other Shares 150 cf at $0.50 per 100 cf Tier 2: Add'l Shares 150 cf at $3.46 per 100 cf Tier 3: Overages $6.32 per 100 cf	Tier 1 Wrightwood Well Field Tier 2 Well No. 11 Tier 3 Overages	September 20, 2018

In 2016, SCWC began taking steps to resolve the source capacity issue by initiating the installation of Well No. 11. Completing the well took about 24 months and is expected to be online by the end of 2018. As of August 31, 2018, SCWC transferred four (4) connections serving the Snowline Joint Unified School District to Phelan Piñon Hills Community Services District (PPHCSD) at the school district's request. As of October 1, 2018, SCWC has 1,387 active and non-active metered connections. **Table 2.2** lists all existing metered connections by user type.

Table 2.2 Existing Metered Connections

		Meter Sizes		
User Type	**Connections**	**1" Meter**	**2" Meter**	**4" Meter**
Commercial	101	76	25	0
Multi-Family	13	9	4	0
Schools	17	7	9	1
Churches	14	13	1	0
Landscape	4	4	0	0
Residential	1,238	1,235	3	0
Total	**1,387**	**1,344**	**42**	**1**



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SHEEP CREEK WATER COMPANY (SCWC)

SCWC SERVICE AREA MAP

FIGURE
1

Currently, the California Rural Water Association (CRWA) is applying for additional Proposition 1 funding on behalf of SCWC to provide short and long-term solutions to their water system deficiencies. Based on a recent income survey conducted by the California Rural Water Association, the SCWC service area is defined as a Disadvantaged Community (DAC). Based on the meeting held with DDW on January 7, 2019, SCWC understands that the State will make the final determination on the selected alternative shall funding from the Division of Financial Assistance be awarded to this project

This feasibility report evaluates two long-term solutions that will address their source capacity issue and bring SCWC's water system back into compliance.

3.0 Existing Water Supply Sources

SCWC sole source of water supply are via pre-1914 water rights. Their five wells and water supply tunnel are located off the Angeles Crest Hwy (SR-2) within the El Mirage Valley Basin. SCWC recently added a sixth well (Well No. 11), which is located near the intersection of Walnut Road and Monte Vista Road. Well No. 11 lies within the Alto Subarea of the adjudicated Mojave Basin Area. The Mojave Basin Area is regulated by the Mojave Water Agency (MWA), the court-appointed Watermaster since 1933.

As a party to the judgment, but with zero allocation, SCWC will need to either lease rights, purchase rights, or pay for water produced by Well No. 11 and any future wells in the Alto Subarea, minus any water that SCWC imports into the Mojave Basin.

Table 3.1 Existing SCWC Water Rights

Basin	Type of Water Right	Annual (AFY)	SCWC Exist Wells	Est. Cost for Water 2019
El Mirage Basin	Pre-1914 Water Right	3,000	Well Nos. 2A, 3A, 4A, 5, 8 Tunnel	$0
Mojave Basin Area	Pumping Right	0	Well No. 11	$639/ac-ft
Antelope Basin Area	Pumping Right	0	Well No. 10	To be determined in 2019
	Storage Agreements /Water Banking	0		N/A

4.0 Water Supply and Demand Analysis

The objective of this water supply-demand evaluation is to determine if SCWC will be able to meet customer demand with its existing and potential supply sources while adhering to regulatory requirements. The general approach of the assessment involves the following steps:

- Review and summarize available studies related to the SCWC's water supplies in order to evaluate the risks associated with SCWC's water supply portfolio. **Table 4.1** includes documents reviewed listed by source agencies.

- Evaluate the sources of water available to SCWC in order to determine the most efficient water supply strategy as the need becomes more defined and opportunities to increase production arise.

In addition, IEC has analyzed SCWC's consumption, production, and groundwater level data between years 2008 and 2018[1] to evaluate several supply and demand scenarios. In developing the scenarios, the following factors were considered:

- Water Supply Portfolio: Existing, Near-Term (2018-2019), and Long-Term (2020-2024) supply source

- Demand Trends: Regulatory requirements[2], consumption trends in the system from factors like drought conditions, customer conservation initiatives, demand reduction opportunities, and service area reduction.

- Reliability: Reducing risk of disruption of supply delivery to meet regulatory requirements by adding additional wells.

A detailed discussion of scenarios considered and assumptions is presented in the remainder of this section.

[1] Per California Department of Water Resources, the recent drought event occurred between 2012 and 2016
[2] Per California Code and Regulations (CCR) 64558 (2), the system must be able to meet the 10-year Max Day Demand at all times.

Table 4.1 – List of Documents Reviewed

Document Title	Source
Compliance Order 05-13-18R-002 Source Capacity Violation for Sheep Creek Water Company (3610109), August 30th, 2018	Division of Drinking Water
Consumer Confidence Report, 2016	Sheep Creek Water Company website
SWRCB Feasibility Study Requirements, September 12th, 2018	Sheep Creek Water Company
Sheep Creek Water Company Consolidation Evaluation, May 2018	California Rural Water Association
Sheep Creek Water Company Preliminary Engineering Report, November 19th, 2018	California Rural Water Association
Well Completion Report (Well 11), August 22nd, 2018	Sheep Creek Water Company
CEQA Study (Well 10)	Sheep Creek Water Company
California Regulations Related to Drinking Water, September 23rd, 2016	Division of Drinking Water
Additional Water Source Project, November 2016	Sheep Creek Water Company
Sheep Creek Water Company Water Master Plan, December 2006	Sheep Creek Water Company

Water Supply-Demand Assessment

Water Supply: SCWC's current water supply portfolio consists of five groundwater wells (2A, 3A, 4A, 5, and 8) and a tunnel (also classified as groundwater[3]) that flows continuously by gravity which is located in the Swarthout Canyon. Per California Rural Water Association's 2018 Preliminary Engineering Report (CRWAPER), well production has dropped due to age, condition and ground water level declines as illustrated in **Figure 2**.

[3] Refer page 2, SWRCB Compliance Order No. 05-13-18R-002 (Appendix B)

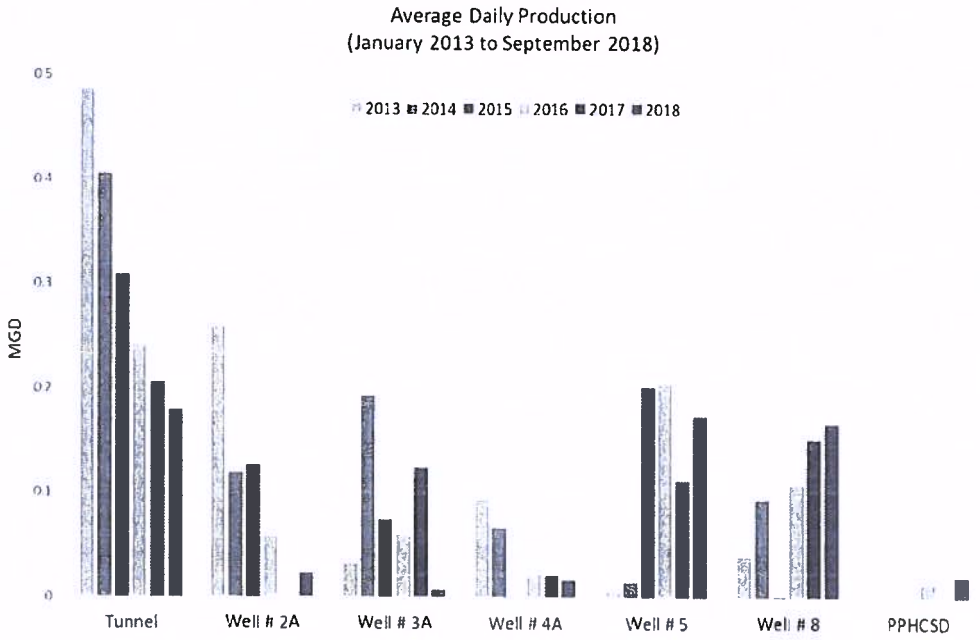


Figure 2. Average Daily Production Per Source (January 2013 through September 2018)
(Source: Sheep Creek Water Production Records)

Recognizing this trend, SCWC has proactively explored several well development projects in recent years and has been successful in developing Well 11. Pump test and well completion reports for Well 11 indicate production rates between 250 gpm and 300 gpm. Based on the recently completed "*Hydrogeological Investigation of Swarthout Canyon, Sheep Creek Area and Mojave Basins*", prepared by California Rural Water Association, dated October 2018, six potential well locations were identified within the northern and central parts of the SCWC service area within the Alto Subarea of the Mojave Basin. PPHCSD owns one active well (Well 9B) located within the Alto Subarea with an operating production rate during the summer months of 260 gpm, +/- 1,300 ft deep. Based on the hydrogeological investigation performed by CRWA, other wells within the Alto Subarea have production rates ranging between 250 gpm to 350 gpm. For the purposes of this evaluation a well production rate of 250 gpm will be used for Well 11 and for proposed future wells. Well production rates and rated/design capacities for Existing, Near-Term, and Long-Term supply scenarios are shown in Table **4.2**.

Table 4.2 – Summary of Existing and Projected Supplies for Sheep Creek Water Company

Supply Type	Source	Operational[4] Capacity			Rated Capacity		
		GPM	MGD	AFY	GPM	MGD	AFY
Existing	Well 2A	30	0.04	48	400[5]	0.58	645
	Well 3A	25	0.04	40	400[6]	0.58	645
	Well 4A	60	0.09	97	800[7]	1.15	1290
	Well 5	124	0.18	200	540[7]	0.78	871
	Well 8	141	0.20	227	520[5]	0.75	839
	Tunnel	122	0.18	197	n/a	n/a	n/a
Total		**502**	**0.72**	**810**	**2,660**	**3.83**	**4,291**
Near-Term (2018-2019)	Well 2A	30	0.04	48	400	0.58	645
	Well 3A	25	0.04	40	400	0.58	645
	Well 4A	60	0.09	97	800	1.15	1290
	Well 5	124	0.18	200	540	0.78	871
	Well 8	141	0.20	227	520	0.75	839
	Well 11	250[5]	0.36	403	275[6]	0.40	444
	Tunnel	100	0.14	161	n/a	n/a	n/a
Total		**730**	**1.05**	**1,177**	**2,935**	**4.23**	**4,734**
Long-Term (2020-2024)	Well 2A	30	0.04	48	400	0.58	645
	Well 3A	25	0.04	40	400	0.58	645
	Well 4A	60	0.09	97	800	1.15	1290
	Well 5	124	0.18	200	540	0.78	871
	Well 8	141	0.20	227	520	0.75	839
	Well 11*	250	0.36	403	275	0.40	444
	Well 12*	250	0.36	403	275	0.40	444
	Well 13*	250	0.36	403	275	0.40	444
	Well 14*	250	0.36	403	275	0.40	444
	Well 15*	250	0.36	403	275	0.40	444
	Tunnel	100	0.14	161	n/a	n/a	n/a
Total		**1,730**	**2.49**	**2,790**	**4,035**	**5.81**	**6,508**

** Proposed Future Wells (assumed similar production value as Well 11)*

Tunnel flows have also declined steadily as shown in **Figure 3A** especially in years 2016-2018 coming out of the recent drought event. At the current rate of decline, future tunnel flows are projected to be about 100 gpm. Therefore, 100 gpm for the tunnel flow was used in this analysis. **Figures 3B** and **3C** show tunnel production and well pumping levels declining consistently during post-drought years.

[4] Source: July 2018 SCWC Production Report
[5] Source: Well Pump Curve
[6] Source: Well Completion Report
[7] Source: Well Pump Curve & SCWC pump records

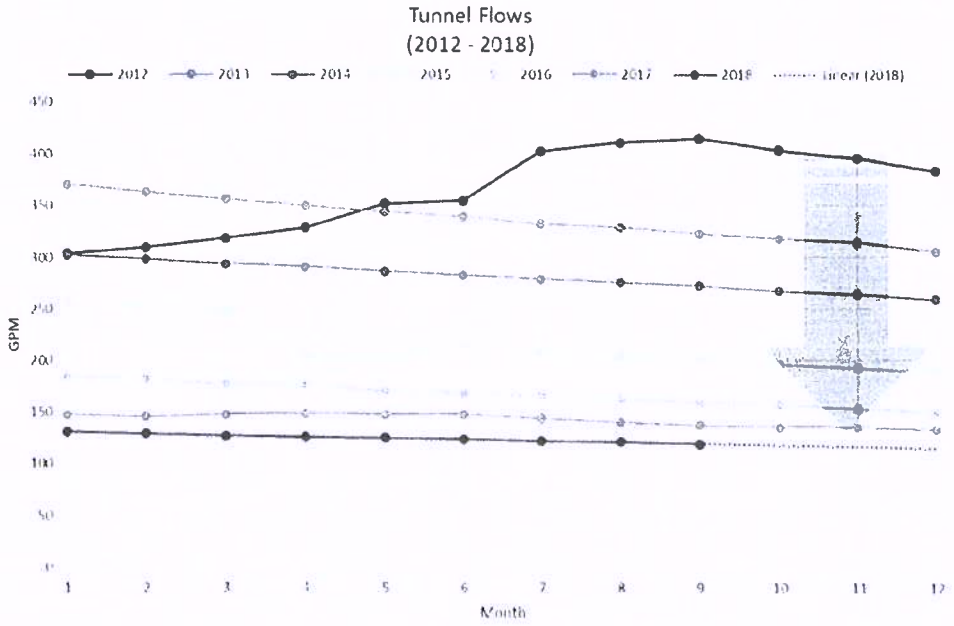


Figure 3A. Tunnel Flow Decline
(Source: Sheep Creek Water Company Production Records)

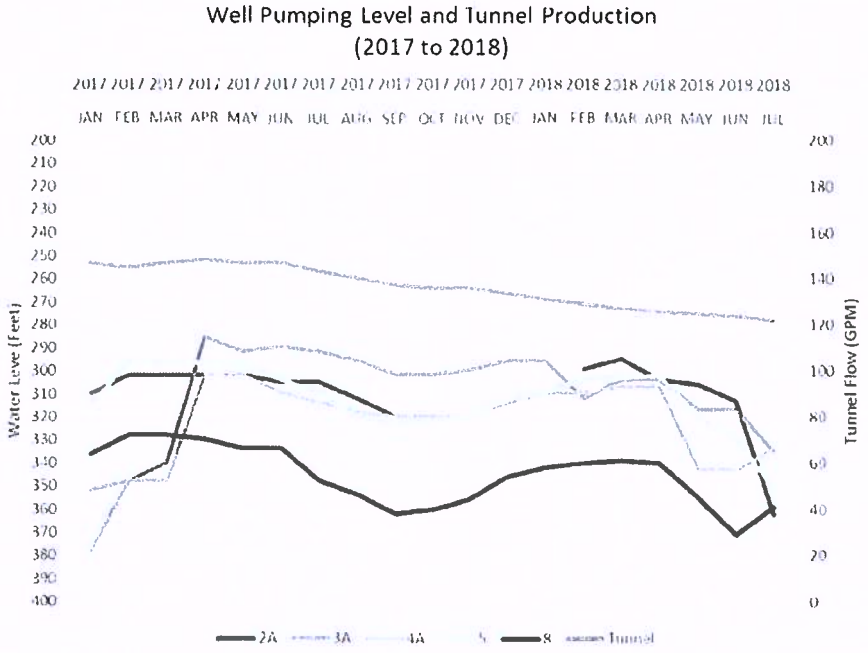


Figure 3B. Tunnel Flow Production (gpm) and Well Pumping Levels (feet)
(Source: Sheep Creek Water Company Production Records)

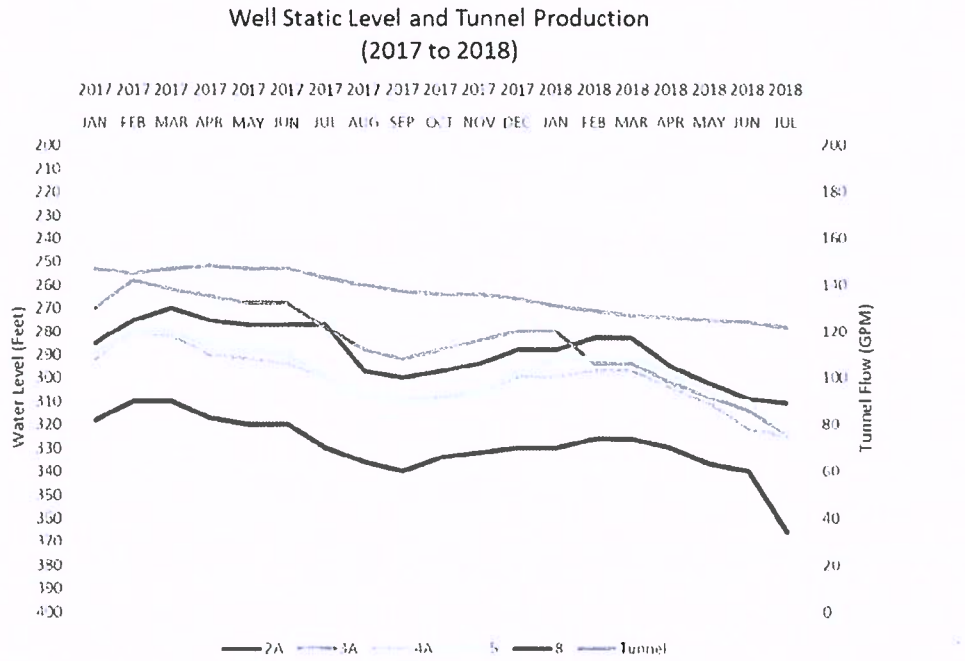


Figure 3C. Tunnel Flow Production (gpm) and Well Static Levels (feet)
(Source: Sheep Creek Water Company Production Records)

Demand Trends: The recent drought period in California occurred during 2012 through 2016. Per California Code and Regulations (CR) 64558 (2), the water system must be able to meet the 10-year Max Day Demand (MDD) at all times[8]. Upon review of SCWC's production records, the highest 10-year Max Day Demand (MDD) of 1.78 MGD[9] occurred during the drought period on July 12, 2014. When compared with the value cited in the Source Capacity Violation of 2.09 MGD[10] it was apparent that there was a discrepancy in the production values recorded for Well 8 in 2014. Upon review of Well 8 runtime records and discussion with SCWC's staff it was determined that recorded values of production on July 12, 2014 accounted for two days of runtime instead of one day. Production records for 2008 through 2018 were reviewed again to confirm that no other year recorded MDD values higher than 1.78 MGD and it was confirmed.

In 2014, SCWC met customer demand mainly due to a higher ground water table and with more than twice the supply from the tunnel compared to recent years. For comparison purposes, Well 8 produced an average of 450 gpm in 2014, but only 141 gpm in 2018. As shown on **Figure 4**, MDDs for 2016 and 2018 dropped in April and June respectively and the demands were met. However, due to low groundwater recharge rates and consecutive days of summer water

[8] Per CCR 64554 (b), each pressure zone within the system should be evaluated in order to meet MDD and peak hourly demand (PHD). However, due to the scope and purpose of this effort, MDD and PHD were evaluated for the system in its entirety.
[9] MDD values were derived from Sheep Creek Water Company's daily production records
[10] Refer page 20, SWRCB Compliance Order No. 05-13-18R-002 (Appendix B)

consumption in August 2018 as well as August and September 2016, SCWC had to purchase water from PPHCSD. Based on discussions with SCWC's staff, water was purchased in order to meet daily demands from large users like the Snowline Joint Unified School District (SJUSD). In 2018, SJUSD requested water service from PPHCSD, which reduces SCWC's Near-Term (2018-2019) and Long-Term (2020-2024) demands. A list of SJUSD's accounts and service status with SCWC are listed in **Table 4.3**. Currently, four (4) of the SJUSD's 13 service meters have been physically disconnected from SCWC's water system and are no longer served by SCWC. Removing these four (4) services reduces the 10-YR MDD from 1.78 MGD to approximately 1.77 MGD. In the future, when the seven (7) remaining service accounts are connected to PPHCSD's system, the 10-YR MDD will be reduced to approximately 1.60 MGD (i.e. 10-YR MDD w/o SJUSD). Since SCWC did not have daily consumption records for SJUSD, MDD values for the school district were estimated from maximum month usage data. Calculations and assumptions are provided in **Appendix C**. Since those seven (7) remaining service accounts are still physically connected to SCWC's water system, the recommended solution accounts for them in the demand. Based on the service connection moratorium established by the DDW[11] for SCWC, no additional growth is considered in this analysis.

Table 4.3 – Snowline Joint Unified School District Service Status

Account	Location	Status	Future Plan
169	Elementary 1"	Connected to SCWC	Will Remain
578	Elementary 2"	Connected to SCWC	Will Remain
219	80 Acre SHS	***Connected to PPHCSD***	-
220	80 Acre SHS	***Connected to PPHCSD***	-
642	80 Acre 1" Spanish Hill	***Connected to PPHCSD***	-
646	80 Acre 1" 4" By-pass	Connected to SCWC	Will be Connected to PPHCSD
657	80 Acre 1" District Office	Connected to SCWC	Will be Connected to PPHCSD
997	80 Acre 2" Green House	***Connected to PPHCSD***	-
999	Chapperal	Connected to SCWC	Will be Connected to PPHCSD
1013	80 Acre 2" Maintenance	Connected to SCWC	Will be Connected to PPHCSD
1014	80 Acre 2" Football	Connected to SCWC	Will be Connected to PPHCSD
1045	80 Acre 2" Curriculum	Connected to SCWC	Will be Connected to PPHCSD
1064	80 Acre 2" Eagle Summit	Connected to SCWC	Will be Connected to PPHCSD

[11] Refer page 4, SWRCB Compliance Order No. 05-13-18R-002 (Appendix B)

Reliability: Since SCWC water supply is primarily from groundwater sources, CCR 64554 (3) (c) states that such a system must be able to meet MDD without the largest well supply in service. This requirement was accounted for under both Near-Term and Long-Term scenarios to enhance system reliability.

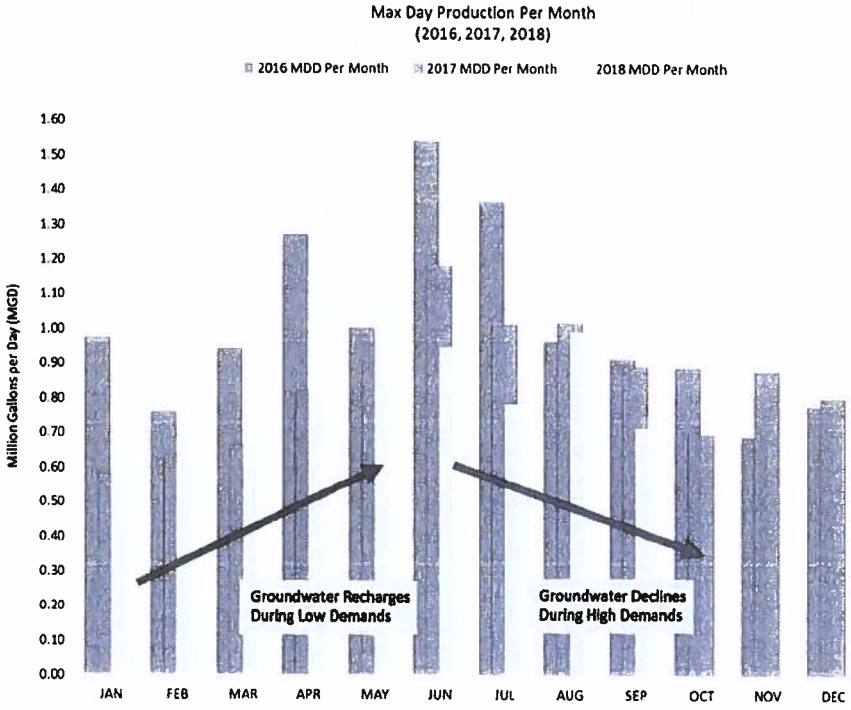


Figure 4. Maximum Production Per Month (2016 to 2018)
(Source: Sheep Creek Water Company Production Records)

Supply-Demand Evaluation: **Table 4.4** summarizes various supply-demand scenarios evaluated.

- Scenarios 1 and 2 evaluate Existing (October 2018) supply and demand conditions.
- Scenarios 3, 4, and 5 evaluate Near-Term (2018-2019) supply and demand conditions.
- Scenarios 6 through 11 shows Long-Term (2020-2024) supply-demand conditions with additional well supplies.

Scenarios 3 through 10 were evaluated with largest source offline (0.36 MGD) and declining tunnel supply (i.e. 0.18 MGD to 0.14 MGD). Scenario 11 utilizes the reduced demand of 1.60 MGD, therefore, it can only be considered a future scenario until those remaining services are disconnected.

Tables 4.5A through **4.5E** show the supply-demand breakdown per scenario. In summary, scenario 10 (refer to **Table 4.5E**) shows that with four (4) additional wells, the SCWC's system is able to meet the 10-YR MDD regulatory requirement of 1.78 MGD.

Table 4.4 – Supply-Demand Scenario Summary

Scenario	Period	DEMAND			SUPPLY				SUPPLY minus DEMAND	
		MDD Description	Total Demand		Source		Total Supply			
					Total Wells	Tunnel				
			AFY	MGD	AFY	AFY	AFY	MGD	AFY	MGD
1	Existing	10-YR MDD	1994	1.78	613	197	810	0.72	-1184	-1.06
2	Existing	10-YR MDD (w/o SUSD)	1792	1.60	613	197	810	0.72	-982	-0.88
3	Near-Term (2018-2019)	10-YR MDD	1994	1.78	613	161	774	0.69	-1220	-1.09
4	Near-Term (2018-2019)	10-YR MDD (w/o SUSD)	1792	1.60	613	161	774	0.69	-1018	-0.91
5	Near-Term (2018-2019)	August 2018 MDD	1075	0.96	613	161	774	0.69	-301	-0.27
6	Long-Term (2020-2024)	10-YR MDD	1994	1.78	1419	161	1581	1.41	-413	-0.37
7	Long-Term (2020-2024)	10-YR MDD (w/o SUSD)	1792	1.60	1419	161	1581	1.41	-211	-0.19
8	Long-Term (2020-2024)	10-YR MDD	1994	1.78	1823	161	1984	1.77	-10	-0.01
9	Long-Term (2020-2024)	10-YR MDD (w/o SUSD)	1792	1.60	1823	161	1984	1.77	192	0.17
10	Long-Term (2020-2024)	10-YR MDD	1994	1.78	2226	161	2387	2.13	393	0.35
11	Long-Term (2020-2024)	10-YR MDD (w/o SUSD)	1792	1.60	2226	161	2387	2.13	595	0.53

Scenarios 1 & 2: Meeting 10-YR MDD with Existing Supply (Without Well 11)

- Scenario 1 in Table **4.4** shows that SCWC is not able to meet the 10-YR MDD regulatory requirement of 1.78 MGD as of October 2018. Well 11 was not considered to be in operation.
- Scenario 2 shows that SCWC is not able to meet the future 10-YR MDD (w/o SJUSD) of 1.60 MGD.

Conclusion: As shown in **Table 4.5A**, SCWC will have a supply deficit 1.06 MGD and 0.88 MGD for the 10-YR MDD and future 10-YR MDD w/o SJUSD, respectively.

Table 4.5A – Existing Water Supply Portfolio and Demand Breakdown

Supply in October 2018 (no Well 11)

	Operational Capacity		
Source	GPM	MGD	AFY
Well 2A	30	0.04	48
Well 3A	25	0.04	40
Well 4A	60	0.09	97
Well 5	124	0.18	200
Well 8	141	0.20	227
Tunnel	122	0.18	197

	Summary	MGD
	Total Supply	0.72
Scenario 1	Demand (10-YR MDD)	1.78
Scenario 1	Supply minus Demand (10-YR MDD)	-1.06
Scenario 2	Demand (10-YR MDD w/o SUSD)	1.60
Scenario 2	Supply minus Demand (10YR w/o SUSD)	-0.88

Scenarios 3, 4 & 5: Meeting Near-Term (2018-2019) Demands with Well 11 Operational

- Scenarios 3 and 4 shows that SCWC is not able to meet the 10-YR MDD regulatory requirement of 1.78 MGD and the future 10-YR MDD (w/o SJUSD) of 1.60 MGD even with Well 11 added to the supply portfolio.
- Scenario 5 shows that SCWC may even be short of supply to meet near-term projected MDD of 0.96 MGD, which is estimated from 2018 MDD values w/o SJUSD connections.

Conclusion: As shown **in Table 4.5B**, SCWC will have a supply deficit 1.09 MGD and 0.91 MGD for the 10-YR MDD and future 10-YR MDD w/o SJUSD, respectively.

Table 4.5B – Near-Term Water Supply and Demands with Well 11

Supply Near-Term

	Operational Capacity		
Source	GPM	MGD	AFY
Well 2A	30	0.04	48
Well 3A	25	0.04	40
Well 4A	60	0.09	97
Well 5	124	0.18	200
Well 8	141	0.20	227
Tunnel	100	0.14	161
Well 11 *	250	0.36	403

* *Offline*

	Summary	MGD
	Total Supply (largest well offline)	0.69
Scenario 3	Demand (10-YR MDD)	1.78
	Supply minus Demand (10-YR MDD)	-1.09
Scenario 4	Demand (10-YR MDD w/o SUSD)	1.60
	Supply minus Demand (10YR MDD w/o SUSD)	-0.91
Scenario 5	August 2018 MDD	0.96
	Supply minus Demand (August 2018 MDD)	-0.27

Scenario 6 through 10: Meeting Long-Term (2020-2024) Demand with Well and Additional Future Wells

- Scenarios 6, 7, and 8 shows that by adding two or three additional wells, SCWC is still not able to meet the 10-YR MDD regulatory requirement of 1.78 MGD as shown in **Tables 4.5C** and **4.5D**.
- Scenario 9 shows that when SJUSD services are removed from the system, SCWC could meet the future 10-YR MDD w/o SJUSD of 1.60 MGD with a surplus supply of 0.17 MGD by adding three (3) additional wells as shown in **Table 4.5D**.
- Scenario 10 shows that with four (4) additional wells, the system will be able to meet the 10-YR MDD regulatory requirement of 1.78 MGD as shown in **Table 4.5E**.

Conclusion: Scenario 10 provides SCWC with the ability to meet the 10-YR MDD regulatory requirement of 1.78 MGD by adding four (4) new supply wells with a surplus supply of 0.35 MGD.

Table 4.5C – Long-Term Water Supply and Demands with 2 Future wells (Wells 12 & 13)

Supply Long-Term

	Operational Capacity		
Source	GPM	MGD	AFY
Well 2A	30	0.04	48
Well 3A	25	0.04	40
Well 4A	60	0.09	97
Well 5	124	0.18	200
Well 8	141	0.20	227
Tunnel	100	0.14	161
Well 11	250	0.36	403
Well 12	250	0.36	403
Well 13 *	250	0.36	403

** Offline*

	Summary	MGD
	Total Supply (largest well offline)	1.41
Scenario 6	Demand (10-YR MDD)	1.78
Scenario 6	Supply minus Demand (10-YR MDD)	-0.37
Scenario 7	Demand (10-YR MDD w/o SUSD)	1.60
Scenario 7	Supply minus Demand (10YR w/o SUSD)	-0.19

Table 4.5D – Long-Term Water Supply and Demands with 3 Future wells (Wells 12,13, &14)

Supply Long-Term

	Operational Capacity		
Source	GPM	MGD	AFY
Well 2A	30	0.04	48
Well 3A	25	0.04	40
Well 4A	60	0.09	97
Well 5	124	0.18	200
Well 8	141	0.20	227
Tunnel	100	0.14	161
Well 11	250	0.36	403
Well 12	250	0.36	403
Well 13	250	0.36	403
Well 14 *	250	0.36	403

** Offline*

	Summary	MGD
	Total Supply (largest well offline)	1.77
Scenario 8	Demand (10-YR MDD)	1.78
Scenario 8	Supply minus Demand (10-YR MDD)	-0.01
Scenario 9	Demand (10-YR MDD w/o SUSD)	1.60
Scenario 9	Supply minus Demand (10YR w/o SUSD)	0.17

Table 4.5E – Long-Term Water Supply and Demands with 4 future wells (Wells 12,13,14, and 15)

Supply Long-Term

	Operational Capacity		
Source	GPM	MGD	AFY
Well 2A	30	0.04	48
Well 3A	25	0.04	40
Well 4A	60	0.09	97
Well 5	124	0.18	200
Well 8	141	0.20	227
Tunnel	100	0.14	161
Well 11	250	0.36	403
Well 12	250	0.36	403
Well 13	250	0.36	403
Well 14	250	0.36	403
Well 15 *	250	0.36	403

** Offline*

	Summary	MGD
	Total Supply (largest well offline)	2.13
Scenario 10	Demand (10-YR MDD)	1.78
Scenario 10	Supply minus Demand (10-YR MDD)	0.35
Scenario 11	Demand (10-YR MDD w/o SUSD)	1.60
Scenario 11	Supply minus Demand (10YR w/o SUSD)	0.53

Figure 5 shows a summary of the demand and supply estimates discussed compared to the monthly MDD from 2016 through 2018 derived from SCWC production reports.

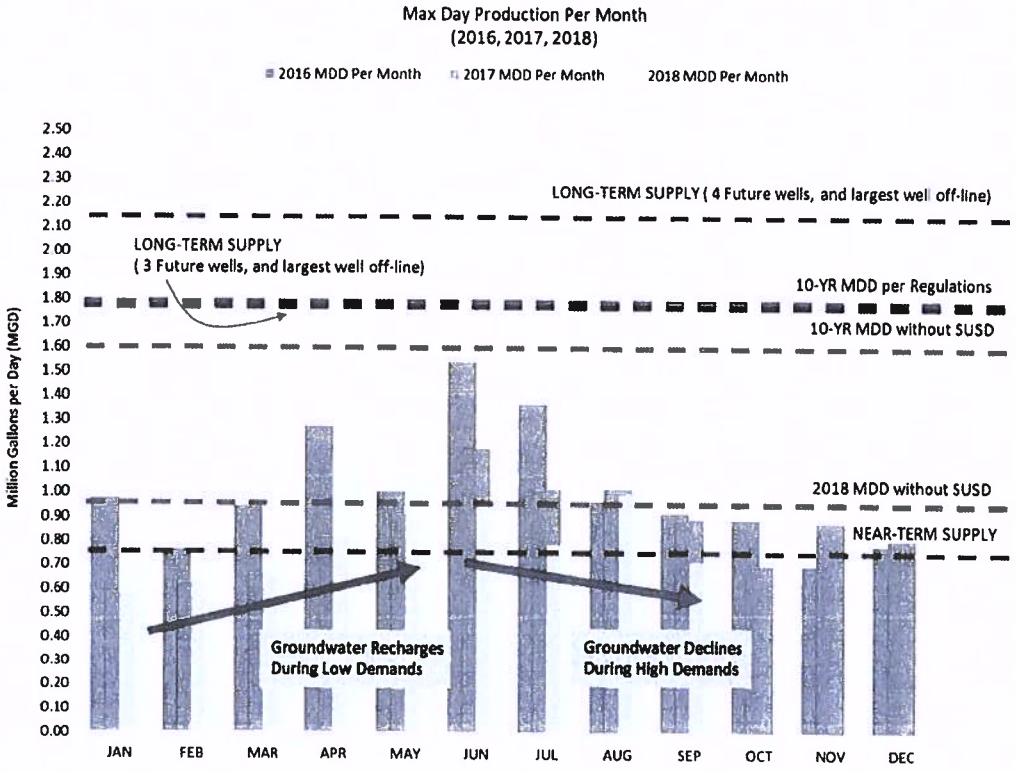


Figure 5. Maximum Production Per Month (2016 to 2018) compared to MDD scenarios
(Source: Sheep Creek Water Company Production Records)

Evaluating Storage Needs: Existing storage capacity in the system is 6.119 million gallons (MG). **Table 4.6** shows the number of consecutive days the storage volume alone will be able to meet MDD and peak hourly demand (PHD) in the system when all tanks are at full capacity. Per CCR 64554 (a) (2), SCWC is required to meet four (4) hours of PHD with source capacity, storage capacity, and/or emergency source connections. **Table 4.7** shows that SCWC is able to meet these regulatory requirements (4hrs x PHD) with its current storage capacity.

Table 4.6 – Storage Capacity and Demands

Total Storage Capacity = 6.119 MG				
Demand Type	MDD	PHD	MDD	PHD
	10-YR	10-YR	10-YR w/o SUSD	10-YR w/o SUSD
Demand (MGD)	1.78	2.67	1.6	2.4
Storage Utilization (days)	3.44	2.29	3.82	2.55

Typically, volume required for storage takes into account operational, fire protection, and emergency storage. The following is an excerpt from the American Water Works Association (AWWA) Manual 50 (pg. 69), Water Resource Planning on determining storage needs:

"For most systems, regulatory storage is typically about 25 percent of the maximum daily demand. This allows reservoirs to be used for flow equalization because water fills the storage tanks during periods of low demand and drains during periods of high demand. Fire suppression storage is that volume required to supply the maximum fire flow, and emergency storage is for use in the event of a water supply system failure. There is no particular standard specifying how much emergency storage a water purveyor should have. The amount of storage required depends on available water supplies, inter-connections to other utilities, reliability of power sources, the presence of alternative power sources, and the reliability of the water system as a whole."

For this analysis, conservative values for operational (30% x MDD[12]), fire flow (4hrs x 4000gpm[13]), and emergency storage (100% MDD[9]) criteria were used. In all cases, as noted in **Table 4.7**, SCWC's existing and long-term storage needs will not exceed its current capacity, not accounting for additional growth.

Table 4.7 – Storage Requirements

Storage Capacity (Gallons)		
Minimum Requirements	10-YR MDD	10-YR MDD w/o SUSD
Regulatory (4hrs x PHD)	445,000	400,000
Fire Protection (4hrs x 4000 gpm)	960,000	960,000
Equalization Volume (30% MDD)	534,000	480,000
Emergency Storage (100% MDD)	1,780,000	1,600,000
Total Storage	3,274,000	3,040,000
Total Storage (MG)	3.27	3.04

[12] Refer to pg. 2-11, SCWC Water Master Plan, December 2006
[13] Typical for Commercial/Industrial Buildings

5.0 Development of Alternatives

Two alternatives were developed in close coordination with SCWC and DDW. The compliance order specifies that, at minimum, one alternative shall include consolidating SCWC's water system with a nearby water purveyor, in this case, PPHCSD. The two alternatives evaluated herein are:

1. Maintain SCWC as a private water purveyor by drilling and operating additional water supply wells

2. Interconnect and consolidate SCWC system with PPHCSD

The items evaluated for each alternative are the technical feasibility to accomplish the objective of resolving the source capacity issue and the financial impact to the SCWC to accomplish this objective.

Compliance with Waterworks Standard
SCWC was formed in 1913 and some components of the water system are over 100 years old. The *"Preliminary Engineering Report (PER) Sheep Creek Water Company"*, prepared by California Rural Water Association (CRWA), dated November 19, 2018 includes a comprehensive, system-wide condition assessment of SCWC's water system. CRWA is providing on-going technical assistance to address global water system deficiencies, estimated at over $12 million. The scope of the study prescribed herein focuses on resolving source capacity issues; the upgrades recommended are limited to infrastructure directly impacted where proposed improvements relate to the evaluated alternatives.

Pending State Legislation for Lowering MCL for Hexavalent Chromium
The scope of this study does not include the cost of removing hexavalent chromium (CR-6) or the feasibility of adding such facilities to either SCWC or PPHCSD. Once the State issues the new maximum contaminate level (MCL) for CR-6 in Drinking Water Sources, such an evaluation will be necessary. At this time, the new MCL is expected to be less than 10 ppb. Based on information from PPHCSD, seven existing wells currently indicate levels of CR-6 above 10 ppb in the Oeste Subarea of the Mojave Basin. SCWC's Well 11 has not indicated detectable levels of CR-6 nor has PPHCSD's Well 9, both of which are in the Alto Subarea of the Mojave Basin.

Approach to Planning Level Costs
Planning level construction costs for identified facilities were developed using industry standards developed by the Association of Advancement for Cost Engineering (AACE International). Our approach applies a single contingency (e.g., percentage of base cost) using a Class 4 estimate, which reflects between 1% to 15% design completion. The mid-range level of accuracy was applied to the base estimates, which correspond to a 50% contingency.

The operating and maintenance life cycle costs were provided for a thirty (30) year period, assuming an inflation rate of three percent (3%) and an interest rate of three percent (3%).

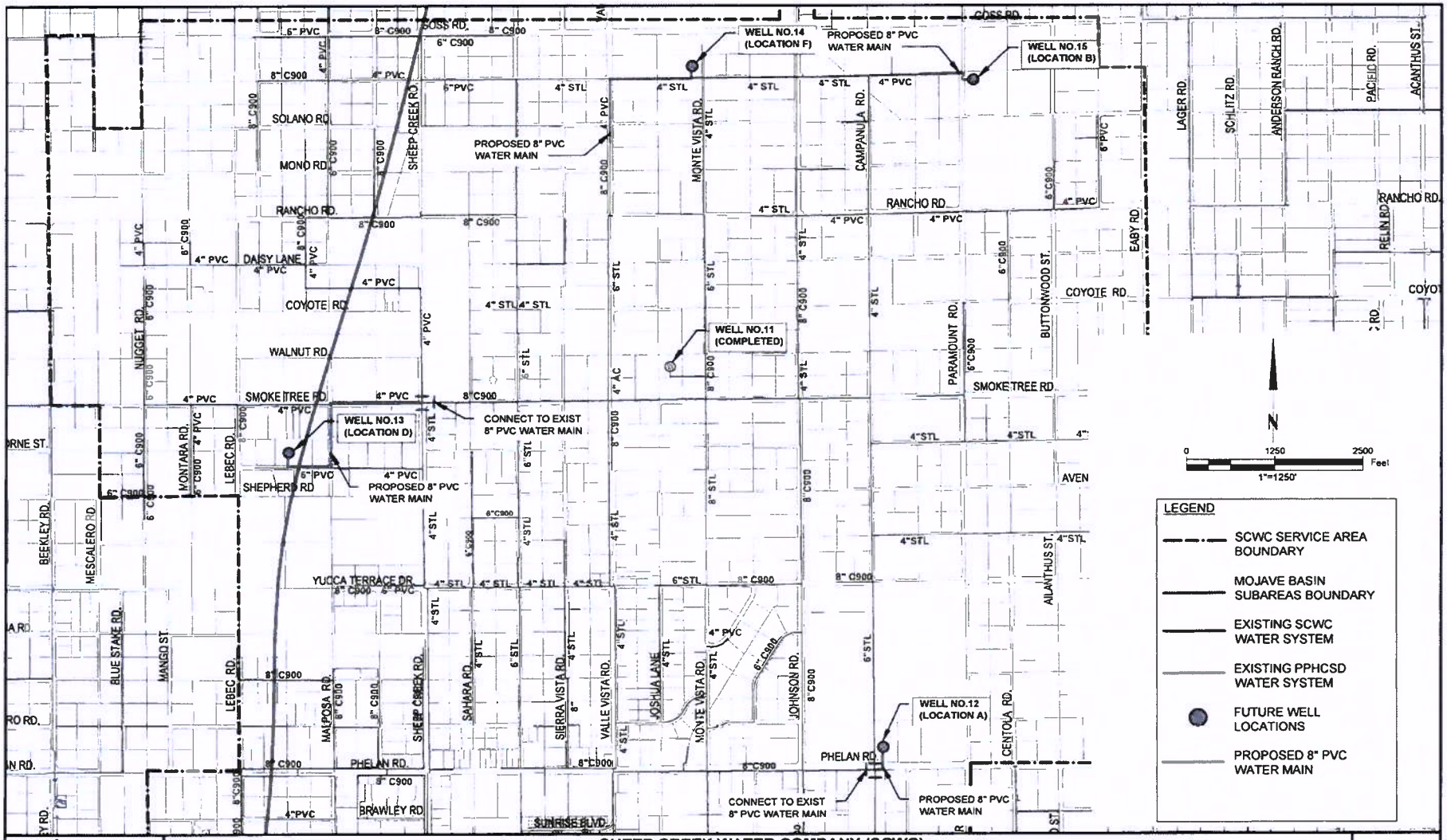
Alternative 1- Maintain SCWC as a Private Water Purveyor by Drilling and Operating Additional Water Supply Wells

This alternative consists of adding four (4) new supply wells to SCWC's system as recommended in the Supply and Demand Analysis section presented above.

The scope of this study does not include a well siting study. Therefore, as recommended by the *"Preliminary Engineering Report (PER) Sheep Creek Water Company"*, prepared by California Rural Water Association (CRWA), dated November 19, 2018, the planning level costs herein were developed using the PER's proposed alternatives for drilling additional wells in the Alto Subarea of the Mojave Basin. Further investigations and well pilot testing are being performed by CRWA and are not included in this scope. Based on four (4) assumed well site locations as shown in **Figure 6**, a conceptual design was developed for Alternative 1. The hydraulics of the water system will need to be evaluated during final design to confirm the actual pressures of the distribution system at the points of connection, to calculate the total dynamic head at each well pump and optimize pump performance. It it is assumed that the same pumping characteristics of Well 11 apply to the future wells. **Table 5.1** lists the actual depths of Well 11 and corresponding wellhead facility and conveyance systems.

Table 5.1 Design Assumptions Based on Completed Well 11

Description	Well 11 (Completed)	Assumptions for Future Wells
Well Production Rate	Actual 250 gpm	250 gpm
Existing Ground Elev	3,900 feet	
Well Depth	Actual 1,500 feet	1,200 to 1,500 feet
Well Casing Size	14/16 inches diameter	14/16 inches diameter
Pumping Water Elev	Actual 2,913 feet (depth 987 feet)	
Static Water Elev	Actual 2,964 feet (depth 936 feet)	
Pump and Motor	150 hp (200 hp VFD)	150 hp (200 hp VFD)
Length of Pipe to Connect to the Distribution System	Actual 1,200 lf of 8-inch diameter PVC (C900) pipe	Varying lengths of 8-inch diameter PVC pipe
Wellhead Treatment	Disinfection Only	Disinfection Only
Property	APN 3069-321-18 2.5 acres	2.5 acres



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SHEEP CREEK WATER COMPANY (SCWC)

ALTERNATIVE 1

FIGURE 6

Cost Evaluation

For the purposes of the estimating the cost of future wells, and offsite piping, the cost breakdown for the recently completed Well 11 was used (refer to **Appendix A**). A summary of the planning level capital costs and operating and maintenance cost for Alternative 1 are summarized in **Table 5.2**. A detailed cost breakdown of Alternative 1 is provided in **Exhibit 5.1**.

Table 5.2 Summary of Planning Level Budget for Alternative 1

Description	Total	Cost per Connection	Cost Per Share
Planning Level Budget	$5.8 million	$4,200	$700
Additional Annual O&M Costs	$230,000	$165.83	$28.75
Net Present Value Additional O&M Cost	$6.5 million	$4,700	$800
2019 Cost of Water for Well 11	$95,900	$69	$12

Implementation Schedule

Assuming the California Rural Water Association proceeds with the pilot well testing early 2019, the SCWC can begin developing the well sites. The current schedule shown in **Exhibit 5.2** assumes SCWC will develop one well site per year, thus the additional four wells can potentially be completed by the fourth quarter of 2022. If additional funding becomes available to SCWC, the schedule can potentially be updated.

Alternative 2- Consolidation with PPHCSD

This alternative consists of consolidating with PPHCSD. PPHCSD covers 128 square miles, has over 6,800 connections, and serves the unincorporated communities of Phelan and Pinion Hills. PPHCSD has expressed concerns with SCWC's deficient water facilities as described in CRWA's PER. The cost of water system upgrades to bring SCWC's entire system up to California Waterworks Standards and PPHCSD's Standards for public water systems are estimated at over $12 million per the CRWA PER. For the purposes of this consolidation evaluation, Alternative 2 will not include $12 million in systemwide upgrades, instead the consolidation alternative will be limited to include the following priorities, which are necessary to operate these systems together:

- Installing flow control facilities at the connections and infrastructure to connect both water systems (pipelines, valves, appurtenances)
- Install fire hydrants/blowoffs at all dead ends (implement PPHCSD's flushing plan)
- Install automatic meter reading devices (to match PPHCSD's system)

Evaluating Source Capacity of Combined System

PPHCSD's 10-yr MDD of 4.8 MGD and has an existing source capacity of 5.1 MGD. SCWC's 10-yr MDD is 1.78 MGD and a source capacity of 1.1 MGD, including the recently added Well 11. Therefore, combining the systems results in a combined 10-yr MDD of 6.6 MGD and a combined source capacity of 6.2 MGD. The largest well in the combined system is PPHCD's Well 14 with a capacity of 1.0 MGD (735 gpm). With the largest PPHCSD well offline, the combined source capacity is deficient by 0.4 MGD. To offset this deficiency, Alternative 2 will include the addition of one future well to the system.

System Connections

PPHCSD has suggested the three connection locations and corresponding pipelines as shown in **Figure 7**. It is expected that once the two water systems are connected, having consistently higher pressures in the SCWC service area may cause failures in the historically low-pressure system (i.e. water main breaks, appurtenance leaking, etc). Further analysis is required to determine if there are needs for rezoning or installing additional pressure reducing stations in the SCWC system. At this time however, our analysis indicates that there are no fatal flaws with moving forward with connecting both systems. It is assumed that at each connection a flow control facility will be needed; this is accounted for in the capital cost estimate.

Cost Evaluation

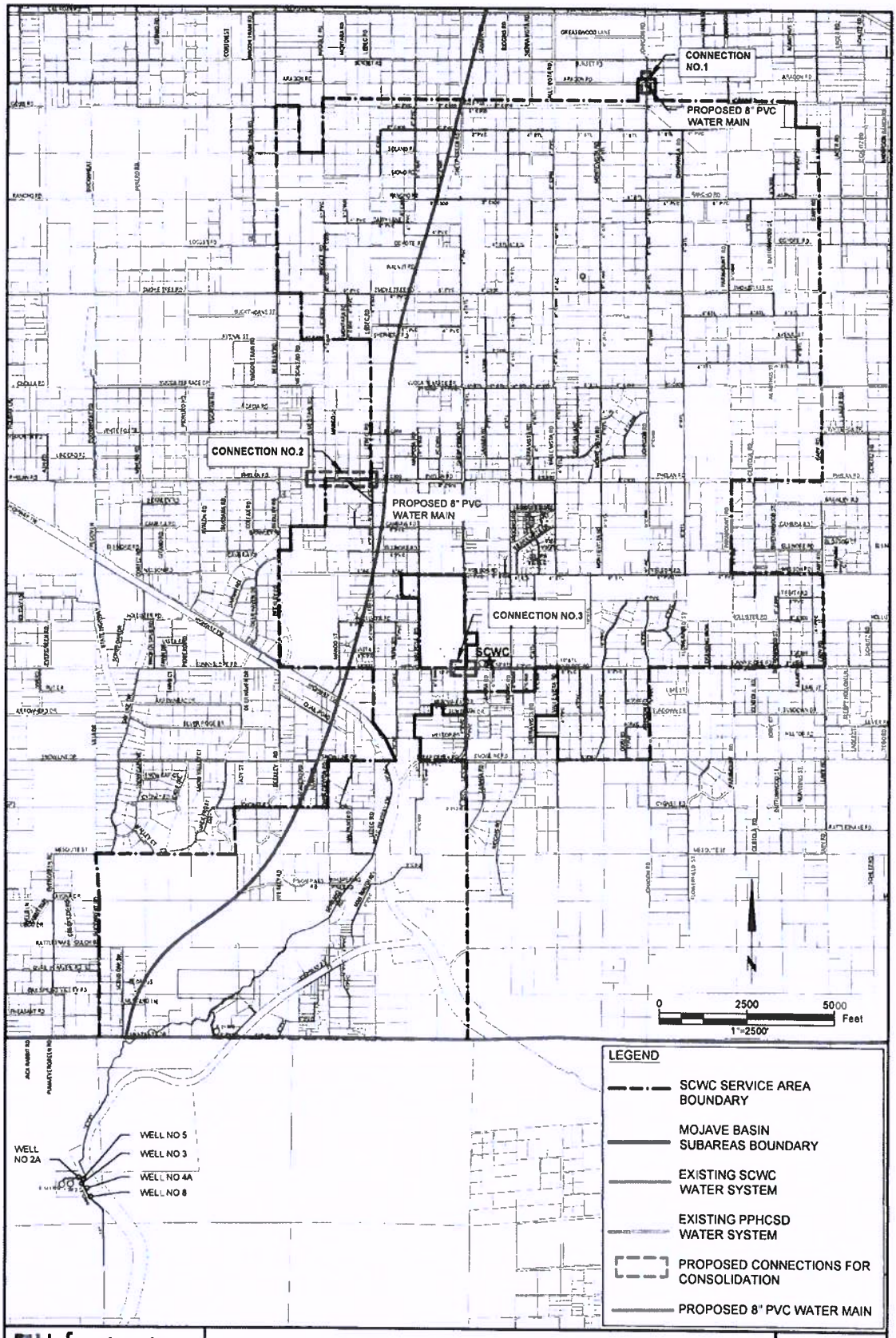
A summary of the planning level capital costs and operating and maintenance cost for Alternative 2 are summarized in **Table 5.3**. A detailed cost breakdown of Alternative 2 is provided in **Exhibit 5.3**. Although not included in this analysis, it is possible that SCWC users may have a fee added to their water bill by PPHCSD, unless State funding covers the costs of upgrading SCWC's water system to California's Waterworks Standards.

Table 5.3 Summary of Planning Level Budget for Alternative 2

Description	Total	Cost per Connection	Cost Per Share
Planning Level Budget	$3.3 million	$2,400	$418
Additional Annual O&M Costs	$120,000	$86.52	$15
Net Present Value Additional O&M Cost	$3.4 million	$2,400	$422

Implementation Schedule

This consolidation is contingent on the timeline for State approval of Proposition 1 funding (application submitted by CRWA). The approximate schedule shown in **Exhibit 5.4**, assuming no major hindrances to the process, the consolidation could be completed within four (4) years. Therefore, assuming the funding process takes 12 months (typical State process is 8-months) and the project begins early 2020, the project could potentially be completed by the fourth quarter of 2022.



Infrastructure

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Bakersfield California 93309
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SHEEP CREEK WATER COMPANY (SCWC)

ALTERNATIVE 2

FIGURE

3

6.0 Comparative Analysis and Recommendation

The key factors that were compared between the two alternatives are as follows:

Table 6.1 Comparison of Alternatives

Key Comparable Factors	Alternative 1	Alternative 2
Source Capacity Issue Resolved	Yes	Yes
Planning Level Construction Cost ***Per Connection***	$4,200	$2,400
Planning Level Construction Cost ***Per Share***	$700	$418
NPV Additional O&M Cost ***Per Connection***	$4,700	$2,400
NPV Additional O&M Cost ***Per Share***	$800	$422
2019 MWA Cost of Water for Well 11 ***Cost Per Connection***	$69.14	$0
2019 MWA Cost of Water for Well 11 ***Cost Per Share***	$12	$0
Implementation Schedule	Completed 4th QTR 2022	Completed 4th QTR 2022
Monthly Water User Base Fee (Excluding consumption charges)	All Meters $55	1" Meter $27.89 2" Meter 81.39 4" Meter $246.74

Both Alternative 1 and Alternative 2 offer long-term solutions to the source capacity issue. Based on discussions with SCWC's General Manager and the Board, the preferred alternative at this time is Alternative 1. In our professional opinion, since the SCWC is currently moving towards solving their source capacity issue and have completed Well No 11 and will be initiating a well siting study through CRWA to continue increasing their source supply, we recommend the SWRCB move forward with developing a Compliance Plan for SCWC to resolve their source capacity issue.

Non-engineering factors excluded from this feasibility study may require further analysis, consideration and resolution during the next phase:

1. Based on the meeting held with DDW on January 7, 2019, SCWC understands that the State will make the final determination on the selected alternative shall funding from the Division of Financial Assistance be awarded to this project
2. Technical, managerial, and financial (TMF) capability of SCWC
3. Impact of new water rates and water connection fees on existing SCWC users
4. Opportunities to negotiate Temporary Transfer agreements with parties within the Alto Subarea and negotiate lower water purchase rates
5. Legal and administrative cost associated with consolidation
6. Impacts to the Mojave Basin with the development of future wells (initial conversations with the Mojave Water Agency (MWA) determined no immediate impacts to the Alto Subarea since due to replacement of water resources with State Water Project)

Exhibit 5.1:

Alternative 1 – Planning Level Cost

Exhibit 5.1
Sheep Creek Water Company
Alternative 1
Planning Level Capital Cost Estimate

Description	Unit	Quantity	Cost/Unit	Subtotal
Drill 1,500 foot 16" Well	EA	4	$500,000	$2,000,000
150 HP Submersible Motor & Pump [1]	EA	4	$125,480	$501,919
Electrical and Instrumentation [1]	LS	4	$47,845	$191,379
Well Head and Site Work [1]	LS	4	$37,586	$150,345
Well 12 Offsite Piping	LF	240	$80	$19,200
Well 13 Offsite Piping	LF	2,800	$80	$224,000
Well 14 Offsite Piping	LF	2,100	$80	$168,000
Well 15 Offsite Piping	LF	750	$80	$60,000
			Subtotal	**$3,314,800**
			Contingency (50%)	$1,657,400
			Total Planning Level Construction Cost	**$4,972,200**
			Administration, Engineering, CM (10%)	$497,200
			CEQA (Combine Projects)	$56,600
			Property Acquisition for Four Well Site Locations (2.5 acres/each) 2	$280,000
			Total Planning Level Budget	**$5,806,000**
			Cost Per Connection (1,387 total)	**$4,200**
			Cost Per Share (8,000 total)	**$700**

[1] 2018 Actual Construction Cost for SCWC Well 11 (Not including SCWC staff time)

[2] 2018 Property Value and Acquisition Costs for Well 11 for $28,000/acre

Opinion of Probable Operation and Maintenance Costs		
2017 Actual SCWC O&M Expense (Only Production/Distribution)	$	323,633
Estimated Annual O&M for Well 11 and 4 Additional Wells	$	230,000
TOTAL Estimated Annual O&M Cost	**$**	**553,600**

[3] Number of shares used was 8,000

O&M Summary		
Cost Per Connection	Cost Per Share [3]	
$ 233.33	$ 40.45	->
$ 165.83	$ 28.75	->
$ 399.16	$ 69.20	->
$ 67.51	**$ 11.70**	**<<== ESTIMATED ANNUAL O&M INCREASE**
$ 5.63	**$ 0.98**	**<<== ESTIMATED MONTHLY O&M INCREASE**

Opinion of Net Present Value Operation and Maintenance Costs		
30-year Life Cycle O&M Costs	$	6,476,000
Cost Per Connection (1,387 total)	**$**	**4,700**
Cost Per Share (8,000 total)	**$**	**800**

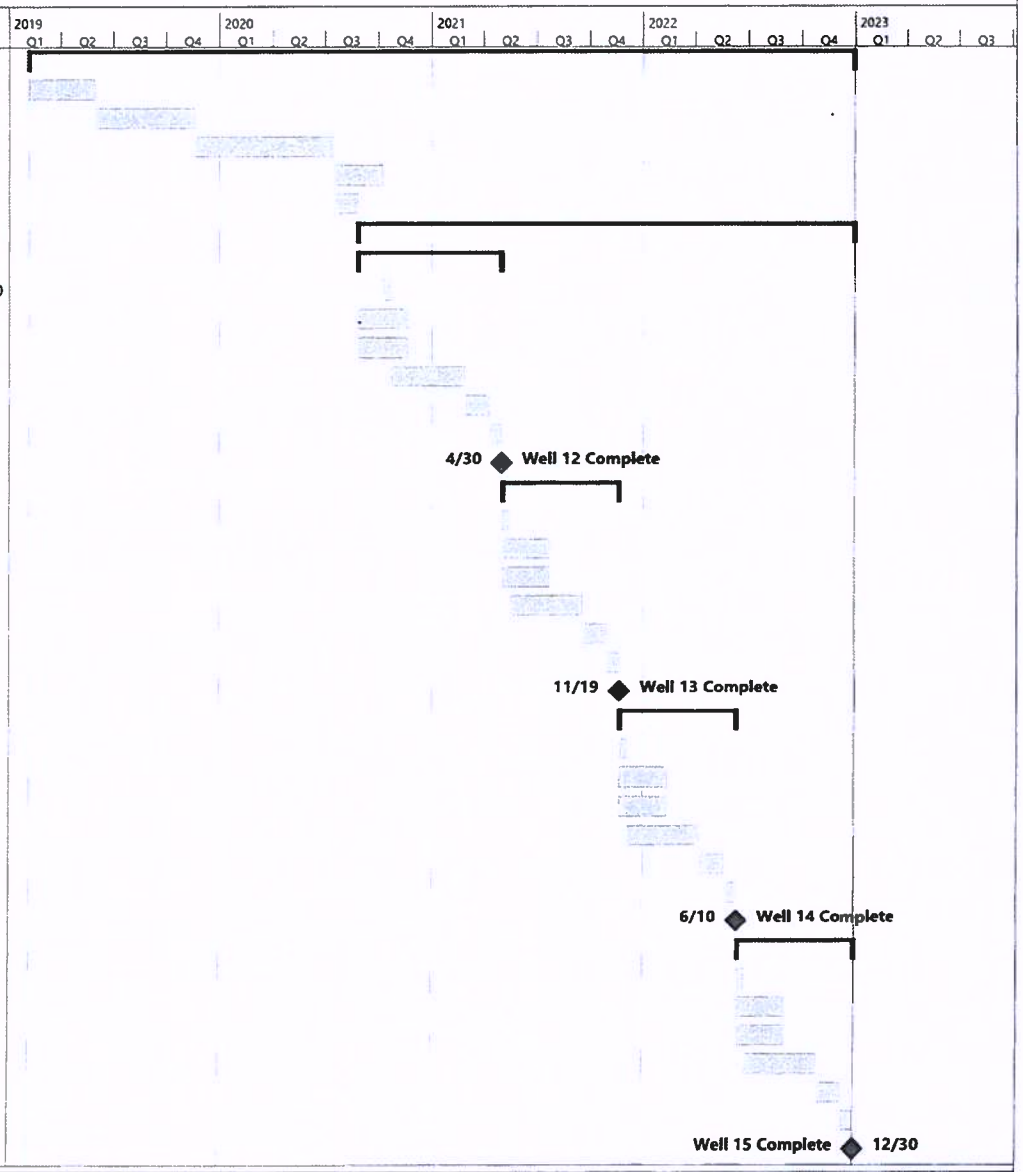
Cost of Replacement Water (purchase from MWA)		
2019 Well 11 Cost of MWA Water $639 ac-ft (Operate 8hrs/day, 150 ac-ft per year)	$	95,900
4 Future Wells Cost of Replacement Water (600 ac-ft per year)		Unknown
Annual Cost Per Connection (1,387 total)	**$**	**69.14**

Exhibit 5.2:

Alternative 1 – Preliminary Implementation Schedule

EXHIBIT 5.2
Alternative 1
Implementation Schedule

ID	Task Name	Duration	Start	Finish
1	**Project**	**1000 days**	**Tue 2/5/19**	**Fri 12/30/22**
2	Well Sitting Study	4 mons	Tue 2/5/19	Wed 5/29/19
3	Pilot Well Testing	6 mons	Thu 5/30/19	Tue 11/19/19
4	CEQA Clearance	8 mons	Wed 11/20/19	Wed 7/15/20
5	Property Acquisition	60 days	Thu 7/16/20	Wed 10/7/20
6	**Bid Project/Award Contract**	**30 days**	**Thu 7/16/20**	**Wed 8/26/20**
7	**Construction**	**610 days**	**Thu 8/27/20**	**Fri 12/30/22**
8	**Well No 12**	**175 days**	**Thu 8/27/20**	**Fri 4/30/21**
9	Drill Well	10 days	Thu 10/8/20	Wed 10/21/20
10	Equipment Lead Time	60 days	Thu 8/27/20	Thu 11/19/20
11	SCE Application for Service	12 wks	Thu 8/27/20	Thu 11/19/20
12	Construct Well Site and Offsite Pip	90 days	Thu 10/22/20	Fri 2/26/21
13	County Permit	30 days	Mon 3/1/21	Fri 4/9/21
14	DDW Permit	15 days	Mon 4/12/21	Fri 4/30/21
15	Well 12 Complete	0 days	Fri 4/30/21	Fri 4/30/21
16	**Well No 13**	**145 days**	**Mon 5/3/21**	**Fri 11/19/21**
17	Drill Well	10 days	Mon 5/3/21	Fri 5/14/21
18	Equipment Lead Time	60 days	Mon 5/3/21	Fri 7/23/21
19	SCE Application for Service	12 wks	Mon 5/3/21	Fri 7/23/21
20	Construct Well Site and Offsite Pip	90 days	Mon 5/17/21	Fri 9/17/21
21	County Permit	30 days	Mon 9/20/21	Fri 10/29/21
22	DDW Permit	15 days	Mon 11/1/21	Fri 11/19/21
23	Well 13 Complete	0 days	Fri 11/19/21	Fri 11/19/21
24	**Well No 14**	**145 days**	**Mon 11/22/21**	**Fri 6/10/22**
25	Drill Well	10 days	Mon 11/22/21	Fri 12/3/21
26	Equipment Lead Time	60 days	Mon 11/22/21	Fri 2/11/22
27	SCE Application for Service	12 wks	Mon 11/22/21	Fri 2/11/22
28	Construct Well Site and Offsite Pip	90 days	Mon 12/6/21	Fri 4/8/22
29	County Permit	30 days	Mon 4/11/22	Fri 5/20/22
30	DDW Permit	15 days	Mon 5/23/22	Fri 6/10/22
31	Well 14 Complete	0 days	Fri 6/10/22	Fri 6/10/22
32	**Well No 15**	**145 days**	**Mon 6/13/22**	**Fri 12/30/22**
33	Drill Well	10 days	Mon 6/13/22	Fri 6/24/22
34	Equipment Lead Time	60 days	Mon 6/13/22	Fri 9/2/22
35	SCE Application for Service	12 wks	Mon 6/13/22	Fri 9/2/22
36	Construct Well Site and Offsite Pip	90 days	Mon 6/27/22	Fri 10/28/22
37	County Permit	30 days	Mon 10/31/22	Fri 12/9/22
38	DDW Permit	15 days	Mon 12/12/22	Fri 12/30/22
39	Well 15 Complete	0 days	Fri 12/30/22	Fri 12/30/22



Sun 12/16/18

Exhibit 5.3:
Alternative 2 - Planning Level Cost

Exhibit 5.3
Sheep Creek Water Company
Alternative 2
Planning Level Capital Cost Estimate

Description	Unit	Quantity	Cost/Unit	Total Cost
Connection 1 Flow Control Facility	LS	1	$100,000	$ 100,000
Connection 1 Offsite Piping	LF	225	$80	$ 18,000
Connection 2 Flow Control Facility	LS	1	$100,000	$ 100,000
Connection 2 Offsite Piping	LF	1,700	$80	$ 136,000
Connection 3 Flow Control Facility	LS	1	$100,000	$ 100,000
Connection 3 Offsite Piping	LF	100	$80	$ 8,000
Drill 1,500 foot 16" Well[1]	EA	1	$500,000	$ 500,000
150 HP Submersible Motor & Pump [1]	EA	1	$125,480	$ 125,500
Electrical and Instrumentation [1]	LS	1	$47,845	$ 47,800
Well Head and Site Work [1]	LS	1	$37,586	$ 37,600
Install Blowoff at Dead Ends	EA	27	$2,000	$ 54,000
Install Automatic Meter Reading Devices	EA	1,387	$500	$ 693,500
			Subtotal:	**$ 1,920,400**
			Contingency (50%)	$ 960,200
			Total Planning Level Construction Cost	**$ 2,880,600**
			Cross Connection Survey	$ 60,000
			Administration, Engineering, CM (10%)	$ 288,100
			CEQA (Combine Projects)	$ 45,000
			Property Acquisition for One Well Site Location (2.5 acres/each)2	$ 70,000
			Total Planning Level Budget	**$ 3,343,700**
			Cost Per Connection (1,387 total)	**$ 2,400**
			Cost Per Share (8,000 total)	**$418**

[1] 2018 Actual Construction Cost for SCWC Well 11 (Not including SCWC staff time)

[2] 2018 Property Value and Acquisition Costs for Well 11 for $28,000/acre

Opinion of Probable Operation and Maintenance Costs			O&M Summary: Cost Per Connection	O&M Summary: Cost Per Share [3]	
2017 Actual PPHCSD O&M Expense	N/A (4)	->			
Estimated Annual O&M for One Additional Well	$ 60,000	->	$ 43.26	$ 7.50	
Estimated Annual O&M for Flow Control Facilities	$ 60,000	->	$ 43.26	$ 7.50	
TOTAL Estimated Annual O&M Cost	**$ 120,000**		**$ 86.52**	**$ 15.00**	**<<== ESTIMATED ANNUAL O&M INCREASE**
			$ 7.21	**$ 1.25**	**<<== ESTIMATED MONTHLY O&M INCREASE**

[3] Number of shares used was 8,000

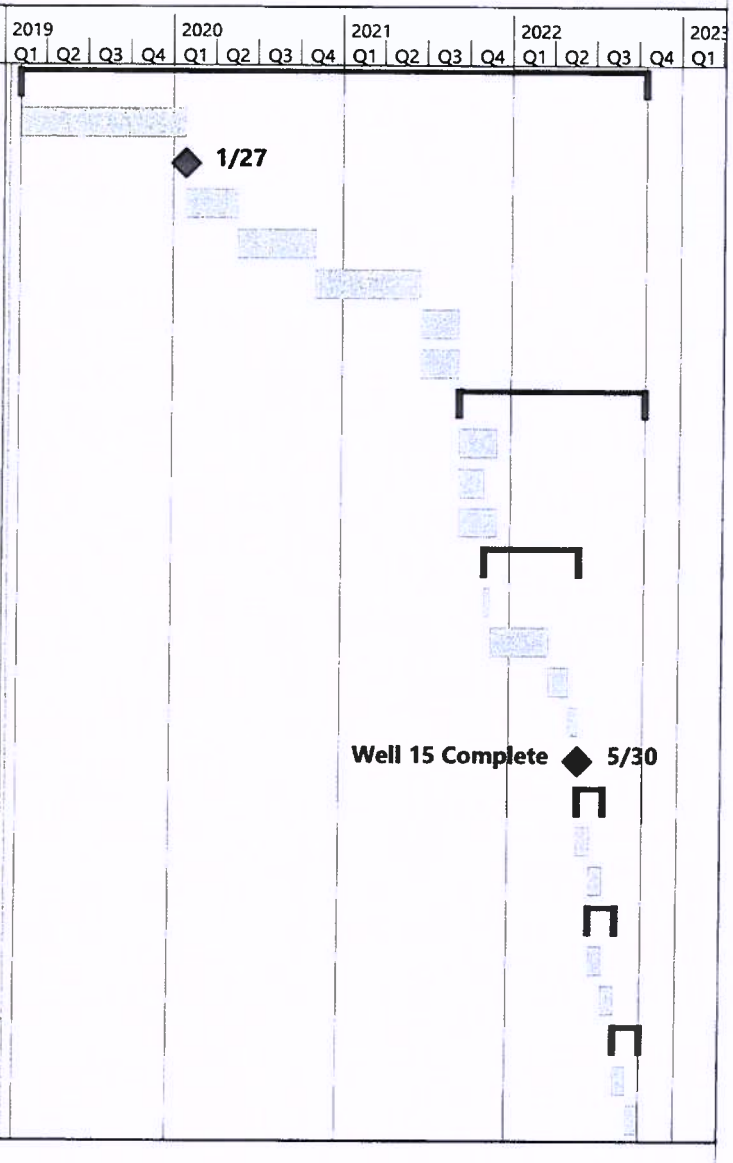
[4] PPHCSD's Annual O&M cost is not applicable under Alternative 2. It is possible that an assessment district will be formed and the cost to upgrade the system to meet State Waterworks Standards would apply to SCWC service area at a later date.

Opinion of Net Present Value Operation and Maintenance Costs	
30-year Life Cycle O&M Costs	$ 3,379,000
Cost Per Connection (1,387 total)	**$ 2,400**
Cost Per Share (8,000 total)	**$422**

Exhibit 5.4:
Alternative 2 - Preliminary Implementation Schedule

EXHIBIT 5.4
Alternative 2
Implementation Schedule

ID	Task Name	Duration	Start	Finish
1	**Project**	**945 days**	**Tue 2/5/19**	**Mon 10/17/22**
2	Proposition 1 Funding	12 mons	Tue 2/5/19	Mon 1/27/20
3	Notice To Proceed	0 days	Mon 1/27/20	Mon 1/27/20
4	Well Sitting Study	4 mons	Tue 1/28/20	Tue 5/19/20
5	Pilot Well Testing	6 mons	Wed 5/20/20	Tue 11/3/20
6	CEQA Clearance	8 mons	Wed 11/4/20	Fri 6/18/21
7	Cross Connection Survey	60 days	Mon 6/21/21	Fri 9/10/21
8	**Bid Project/Award Contract**	**60 days**	**Mon 6/21/21**	**Fri 9/10/21**
9	**Construction**	**285 days**	**Mon 9/13/21**	**Mon 10/17/22**
10	Install 110 Blowoffs	60 days	Mon 9/13/21	Fri 12/3/21
11	Equipment Lead Time	8 wks	Mon 9/13/21	Fri 11/5/21
12	SCE Application for Service	12 wks	Mon 9/13/21	Fri 12/3/21
13	**Well No 15**	**145 days**	**Mon 11/8/21**	**Mon 5/30/22**
14	Drill Well	10 days	Mon 11/8/21	Fri 11/19/21
15	Construct Well Site and Offsite Pip	90 days	Mon 11/22/21	Mon 3/28/22
16	County Permit	30 days	Tue 3/29/22	Mon 5/9/22
17	DDW Permit	15 days	Tue 5/10/22	Mon 5/30/22
18	Well 15 Complete	0 days	Mon 5/30/22	Mon 5/30/22
19	**Connection No. 1**	**40 days**	**Tue 5/31/22**	**Mon 7/25/22**
20	Flow Control Facility	20 days	Tue 5/31/22	Mon 6/27/22
21	Pipeline	20 days	Tue 6/28/22	Mon 7/25/22
22	**Connection No. 2**	**40 days**	**Tue 6/28/22**	**Mon 8/22/22**
23	Flow Control Facility	20 days	Tue 6/28/22	Mon 7/25/22
24	Pipeline	20 days	Tue 7/26/22	Mon 8/22/22
25	**Connection No. 3**	**40 days**	**Tue 8/23/22**	**Mon 10/17/22**
26	Flow Control Facility	20 days	Tue 8/23/22	Mon 9/19/22
27	Pipeline	20 days	Tue 9/20/22	Mon 10/17/22



Mon 1/14/19

Appendix A

Meetings, notifications administrative expenses

California Environmental Quality Act

11/14/2016	Tom Dodson and Associates- Initial Study	$8,275.00
12/14/2016	Tom Dodson and Associates- Initial Study	$1,656.00
1/13/2017	Tom Dodson and Associates- Initial Study	$2,960.00
2/17/2017	Tom Dodson and Associates- Initial Study	$622.50
6/19/2017	Tom Dodson and Associates- Initial Study	$787.50
10/18/2017	Tom Dodson and Associates- Mitigation	$975.00
10/16/2017	Tom Dodson and Associates- Mitigation	$450.00
12/20/2017	Tom Dodson and Associates- Mitigation	$1,250.00
4/16/2018	Tom Dodson and Associates- Mitigation	$2,012.50
4/16/2018	Jericho Systems- Nesting Bird Survey	$315.00
5/17/2018	Tom Dodson and Associates- Mitigation	$300.00

Agency Fees

5/23/2017	SBC- Land Use Services- Initial Study	$3,100.00
12/20/2017	Tom Dodson and Associates- NOD Fees	$2,266.25
3/21/2018	SWRCB- WDID Number	$526.00

Engineering- SWPPP

3/31/2018	Albert Webb Associates	$387.00
5/26/2018	Albert Webb Associates	$172.00
9/29/2018	Albert Webb Associates	$2,257.50

Assessment collections

Aug-17		$4,632.80
Mar-18		$8,251.26
Aug-18		$4,824.58

Property purchase $70,148.05

Legal/Escrow Expenses

2/21/2017	Gresham- Property Contract	$1,598.00
3/22/2017	Gresham- Property Contract	$3,376.00
6/14/2017	Gresham- Property Contract	$1,056.00
6/21/2017	UPS Store - Carter Notary	$30.25
7/19/2017	Gresham- Property Contract	$144.00
7/30/2018	SBC- Land Use Services- Address	$158.00
8/10/2018	Flagstar Bank Wire Transfer- Escrow	$2,500.00
8/21/2018	Flagstar Bank Wire Transfer- Escrow	$46,000.00
8/23/2018	Flagstar Bank Wire Transfer- Escrow	$350.00
8/7/2018	Gresham- Property Purchase	$2,359.00
9/10/2018	Gresham- Property Purchase	$10,156.80
10/8/2018	Gresham- Property Purchase	$2,420.00

Drill 1,500 foot 16" well with mil-slot casing

4/27/2018	Layne- Mob, Permit, Drilling	$145,206.00

5/23/2018	Layne- Mob, Drilling, Casing, Air Lift	$180,565.60	
6/26/2018	Layne- Casing, Swab Pump	$56,626.60	
8/1/2018	Layne- Swab Pump, Test Pumping	$79,648.23	
Vertical turbine motor, pump, column pipe, tube and shaft			
9/24/2018	Layne- Pum, Motor, Wire, Column Pipe	$125,479.69	
9/24/2018	Layne- Well Foundation	$8,571.43	
Electrical equipment, conduit wiring			
Southern California Edison			
8/8/2018	Deposit- Rights Check	$2,500.00	
SCE Electrical Service & Meter Panels			$6,000.00
			$45,000.00
			$15,000.00
Well Electrical			
8/31/2018	Center Electric- Long Lead Filter	$1,781.53	
8/31/2018	Center Electric- 200hp VFD Cabinet	$29,380.00	
11/20/2018	Center Electric- Conduit, Wire, Controls	$13,327.87	
10/2/2018	Weber Concrete	$855.32	
Generator Rental			
Well Head & Site Work			
Site Work			
10/2/2018	Weber Concrete	$2,494.68	
10/12/2018	All American Fence	$6,715.00	
10/18/2018	Ledesmon Trucking- Gravel Purge	$525.00	
11/5/2018	Shed World- Chlorine/VFD Housing	$4,951.11	
Environmental protection			
4/3/2018	Hub Construction- Straw Wattle	$383.51	
Water Quality			
8/17/2018	Clinical Lab- Title 22 Sampling	$3,214.00	
9/27/2018	USA Blue Book- Chlorine Pump Equipment	$953.08	
Pipe Work			
	Inland Water Works	$8,663.84	
	SCWC Labor & Equipment		
8/14/2018	Caltrol- Actuator Valves	$2,220.00	
8/21/2018	McCall's Meters- Flow Meter	$2,771.73	
10/9/2018	Home Depot- Bolts Pipe Stands	$143.66	
Offsite pipeline upgrades			
Materials		$106,493.27	
Permits, Road Repairs, Engineering			
3/13/2018	SBC Public Works- Smoketree Road Permit	$680.00	
	SCWC Labor & Equipment		

Labor & Equipment

7/25/2018	Jeff Brown	$630.00
8/1/2018	Daniel Edmond	$720.00
8/9/2018	Jeff Brown	$1,204.00
8/9/2018	Daniel Edmond	$1,462.50
8/15/2018	Jeff Brown	$630.00
8/20/2018	Daniel Edmond	$150.00
8/23/2018	Jeff Brown	$420.00
10/25/2018	Desert Design- Water Truck & Excuvator	$3,100.00
10/26/2018	Jeff Brown	$175.00
12/4/2018	Craig Cummings	$120.00

Meals $322.40

Well #11 Well Head Material

1	6" x 4" FL Reducer	63	63
2	4" x 2" FL Tee	90	180
3	4" x 12" FL Spool	115	345
1	4" x 24" FL Spool	146	146
2	4" x 36" FL Spool	175	350
2	4" x 60" FL Spool	234	468
1	4" x 48" FL Spool	204	204
1	4" x 72" FL Spool	257	257
1	4" FL Tee	100	100
1	4" FL Mueller Check Valve	540	540
1	4" FL CLA-VAL	2600	2600
5	4" FL LR 90	105	525
2	2" Companion Flange	15	30
2	2" Gal Tee	6.99	13.98
3	2" Gal Close Nipple	7.85	23.55
1	2" x 1" Gal Bushing	6.98	6.98
1	1" Galv Nipple	2.99	2.99
1	2" Drain Valve	225	225
1	1" Gate Valve	55	55
1	2" ARI Rolling Diaphragm Valve	568.24	568.24
1	1" Ari Valve	124	124
2	30" Pipe Stands	275	550
26	4" Bolts	5	130
24	4" Gaskets	2	48
2	2" Bolts	2.25	4.5
2	2" Gaskets	2	4
3	4" FL x PO Adaptor	54	162
4	4" Fitting Restraints	27	108
3	4" Bell Restraint	36	108
1	4" FL x PO Valve	520	520

1	6" Valve Can Set	20	20
80	4" C900 PVC	2.27	181.6

Smoketree Line Replacement Material

4790	8" C900 PVC DR14	9.6	45984
700	8" C900 PVC DR18	7.15	5005
60	6" C900 PVC DR14	6.75	405
60	6" C900 PVC DR18	4.07	244.2
20	4" C900 PVC DR14	2.27	45.4
23	8" FL BF Valve	671	15433
6	6" FL x PO Gate Valve	740	4440
1	4" FL PO Gate Valve	520	520
5	8" FL TEE	184	920
5	8" x 6" FL x PO TEE	130	650
1	8" x 6" FL TEE	200	200
1	8" x 4" FL TEE	200	200
2	8" FL Cross	235	470
1	8" x 6" FL Reducer	104.79	104.79
25	8" FL x PO Adaptor	83.99	2099.75
5	6" FL x PO Adaptor	92	460
2	4" PO 90	49.65	99.3
	36" PO Mueller Hydrant	2250	0
1	48" PO Mueller Hydrant	2325	2325
3	54" PO Mueller Hydrant	2700	8100
2	12" Mueller Hydrant Extension	500	1000
1	18" Mueller Hydrant Extension	574	574
1	24" Mueller Hydrant Extension	671	671
33	8" Fitting Restaint	49	1617
18	6" Fitting Restraint	33	594
5	4" Fitting Restraint	27	135
36	8" Bell Restraint	80	2880
3	6" Bell Restraint	50	150
1	8" FCA- 8.05od	230	230
4	8" 501 Romac Coupling	231	924
2	8" 501R Extended Romac Coupling	245	490
59	8" x 6" Bolts	6	354
2	4" Bolts	5	10
48	8" Gaskets	4	192
10	6" Gaskets	3	30
2	4" Gaskets	2	4
23	8" Valve Can Set	23.14	532.22
8	6" Valve Can Set	20	160
210	1" Kicker Pipe	2.1	441
1	Chlorine Tablets #5 Jar	16	16
6	Detector Tape- Roll	18	108

2	Permatex- Tube	8	16
			98833.66
			106493.27

		TOTAL PROJECT
Meetings, notifications administrative expenses		
California Environmental Quality Act		**$28,312.25**
Tom Dodson and Associates- Initial Study, Mitigation	$19,603.50	
Agency Fees	$5,892.25	
Engineering- SWPPP	$2,816.50	
Assessment collections		**$17,708.64**
Assessment # 1 August 2017	$4,632.80	
Assessment # 2 March 2018	$8,251.26	
Assessment # 3 June 2018	$4,824.58	
Property purchase		**$70,148.05**
Legal Expenses- Property Contract	$6,174.00	
Escrow Expenses	$48,850.00	
Legal Expenses- Property Purchase	$14,935.80	
Misc- Fees	$188.25	
Drill 1,500 foot 16" well with mil-slot casing		**$470,617.86**
Layne- Permit, Drill, Casing, Air Lift, Swab & Test Pump	$462,046.43	
Layne- Concrete Foundation	$8,571.43	
150 HP Submersible motor & pump, 1,100' 5" column pipe, wire		**$125,479.69**
Layne- Supply & Install Pumping Equipment	$125,479.69	
Electrical equipment, conduit wiring		**$47,844.72**
Southern California Edison	$2,500.00	
SCE Electrical Service & Meter Panels		
VFD cabinet and control	$45,344.72	
Conduit, wiring, labor		
Well Head & Site Work		**$37,586.20**
Site Work- Concrete, Fencing, Housing, Protection	$19,236.38	
Environmental protection	$383.51	
Water Quality	$4,167.08	
Pipe Work	$13,799.23	
Smoketree Line Replacement Project		**$116,107.17**
Material	$106,493.27	
Permits, Road Repairs, Engineering	$680.00	
Labor & Equipment	$8,933.90	
TOTAL SMOKETREE WELL #11 PROJECT COST-		**$913,804.58**

Appendix C

APPENDIX C

Maximum Day Demand Estimation Calculation
for Snowline Joint Unified School District

MDD = Maximum Day Demand
MMD = Maximum Monthly Demand
SCWC = Sheep Creek Water Company
SUSD = Snowline Joint Unified School District

Assumption:

$$\frac{\text{MDD(SCWC)}}{\text{MDD(SUSD)}} = \frac{\text{MMD(SCWC)}}{\text{MMD(SUSD)}}$$

Using July 2014 demand of 1.78 MGD, with all services removed except elementary school:

Account #	Location	July 2014 Useage (cubic feet)
169 *	Elementry 1"	15978
578 *	Elementry 2"	69910
219 **	80 Acre SHS	22260
220 **	80 Acre SHS	23360
642 **	80 Acre 1" Spanish Hill	2620
646	80 Acre 1" 4" By-pass	35679
657	80 Acre 1" District Office	6992
997 **	80 Acre 2" Green House	10710
999	Chapperal	6080
1013	80 Acre 2" Maintenance	180
1014	80 Acre 2" Football	345300
1045	80 Acre 2" Curriculum	950
1064	80 Acre 2" Eagle Summit	120

* not included in calculations
** not served by SCWC

$$\frac{1.78\ MGD}{\text{MDD(SUSD)}} \cong \frac{1.29\ MGD}{0.11\ MGD}$$

$$\text{MDD(SUSD)} \cong 0.15\ MGD$$

Reduction in the 10-YR MDD without eleven (11) SUSD services is $1.78 - 0.15 \cong 1.63$ MGD

Similarly, without four (4) SUSD services:

$$\frac{1.78\ MGD}{\text{MDD(SUSD)}} \cong \frac{1.29\ MGD}{0.01\ MGD}$$

$$\text{MDD(SUSD)} \cong 0.01\ MGD$$

Reduction in the 10-YR MDD without four (4) SUSD services is $1.78 - 0.01 \cong 1.77$ MGD

Appendix D

Sheep Creek Water Company
4200 Sunnyslope Rd.
P.O. Box 291820
Phelan, CA 92329-1820
Office (760) 868-3755/Fax (760) 868-2174
Email sheepcreek@verizon.net / www.sheepcreekwater.com

December 27, 2018

Additional Items needed to be added to SWRCB Feasibility Report

- The State of California in 2015 required a cut of 25% and Sheep Creek Water Company has complied with this requirement and continues to meet the 25% plus additional.
- Sheep Creek Water Company has continued to cut water use every year since 2015
    - 20% - 38% reduction, each year the percentage of water use continues to be reduced.
- Water use is generally controlled by the allotment on the shares and the cost of the water.
- With the implementation of a tiered rate structure, water use will continue to remain within the production of the company.
    - Tier 1 rate includes water available at the Wrightwood Well Site.
    - Tier 2 rate includes water pumped within the MWA Alto Sub Area. This rate includes the MWA replacement cost.
    - Tier 3 rate is set at a much higher rate to continue to discourage water use and the rate includes funds to help pay the cost of additional water sources or upgrades to the existing water system.
- Water allotments will be adjusted monthly based on the pumping capacity at the Wrightwood Well Field.
    - New Allotment Schedule to be approved by Shareholders with lower allotments based on lower productions.
- With increased water rates in the additional Tier Rates, water use will continue to remain lower than normal
- Sheep Creek plans to keep water rates higher to help control water use.
- With the addition of up to 2 additional wells, this will be sufficient to maintain the current usage along with having a backup supply of water.
    - With the cost to produce the water out of the wells in the MWA Alto Sub Area, the usage will remain lower due to customers not willing to pay the higher water cost.
- If Grant Funding is unavailable, new wells will be funded with the following options with Shareholder approval
    - Temporary increase on service charge
    - Assessment on Shares
    - Tier 3 Overage rate includes assessment charge to fund additional improvements.
    - As growth continues, additional wells will be installed with the sale and installation of new services.
- Sheep Creek Plans for the new normal water use to remain similar to the current years water use.
- Possible completion of Well #10 with in the Los Angeles County.
    - Retest pump well to determine location of hexavalent chromium.
    - If Hexavalent Chromium can be removed, work with PPHCSD to wheel water through PPHCSD system at a determined rate per acre foot.

Appendix 2

State Water Board Approved Corrective Action Plan

State Water Resources Control Board

Division of Drinking Water

January 3, 2020

Chris Cummings, General Manager
Sheep Creek Water Company
P.O. Box 291820
Phelan, CA 92329
sheepcreek@verizon.net

Dear Mr. Cummings:

RESPONSE TO CORRECTIVE ACTION PLAN FOR COMPLIANCE ORDER NO. 05-13-18R-002

The State Water Resource Control Board, Division of Drinking Water (Division), received a revised Corrective Action Plan from the Sheep Creek Water Company public water system (System) on August 28, 2019. The corrective action plan was submitted in response to Compliance Order No. 05-13-18R-002 (Order).

The System's response informed the Division that on August 17, 2019 the shareholders of the System gave authority to the Board of Directors to proceed with drilling the additional groundwater wells required to meet source capacity requirements as imposed by Title 22, California Code of Regulations (CCR) Section 64554. The decision to drill additional groundwater wells was made rather than consolidating with the neighboring public water system, Phelan Pinon Hills Community Services District (PPHCSD). Even though the System's Board of Directors has stated that they are prepared to proceed with the development of additional groundwater wells to meet compliance with the Order, the Division still recommends that based on historic water production data and the overall cost analysis that was completed by the System, that the best long term and most feasible solution would be to pursue a consolidation with the neighboring public water system.

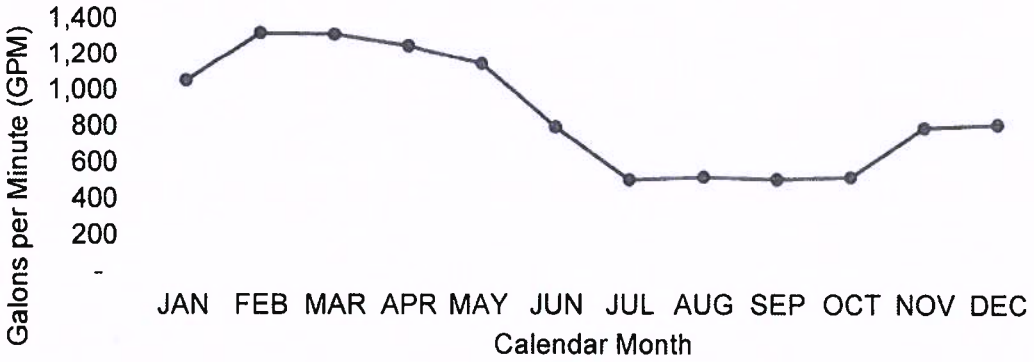
The System's feasibility study that was completed on January 14, 2019 by Infrastructure Engineering Corporation (IEC) demonstrated that the cost for consolidation would amount to a net present value of $3.4 million dollars including operation and maintenance costs in comparison to the net present value of $6.5 million dollars including operation and maintenance costs to maintain the System as a public water purveyor and drill additional sources. The cost analysis further supports that consolidation with PPHCSD would be a more financially viable alternative. The Division would also like to address that if the System is not financially prepared to proceed with constructing and equipping the

necessary water supply sources to return to compliance, the project might result in a higher financial burden to the System and its customers.

Since the System's decision was reached in August 17, 2019, the Division has had several community shareholders reach out with concerns about the overall costs for this project and the impact it would have for those individuals that are unable to afford it. The System should assess all the financial risks that could result from this project and should be prepared to budget the project without causing financial hardship on the System or its shareholders. For reference, the feasibility study has been attached to this letter.

In addition to the cost analysis, the Division is concerned with the seasonal variability in the System's source production and how unreliable the System's sources have proven to be over time. Average production data provided by the System for 2018 is depicted in Figure 1 below, demonstrating that source capacity was about 62% less during the summer month of July 2018 in comparison to the production capacity during the winter month of February 2018. Records prior to 2018 typically show that the System's sources tend to experience their lowest capacities during the months of highest demand during the summer. Seasonal variations in the System's production capacity need to be considered when determining compliance with source capacity regulations.

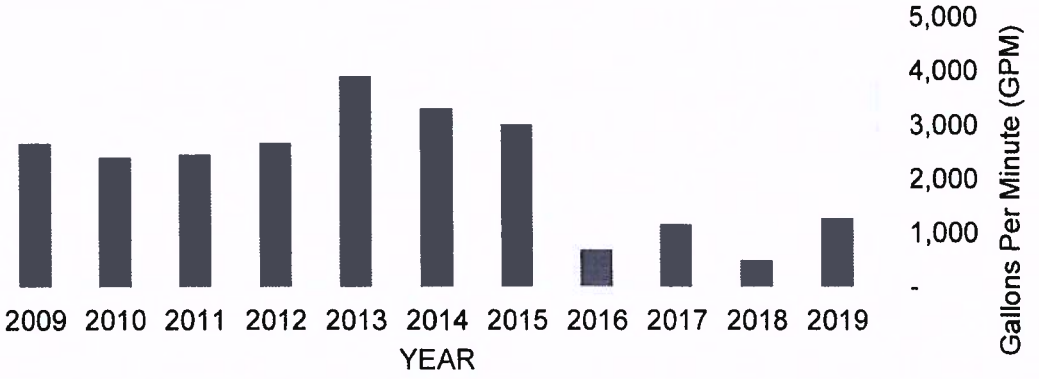
Figure 1. Monthly Average Production Capacity throughout 2018



In addition to seasonal variability, the last 10 years of the System's production data indicate a significant decline in source capacity. Information from the System's monthly production updates show that during July 2018 the system's average monthly production capacity for all its sources combined was down approximately 81% from what it was 10 years before in 2009. Figure 2 demonstrates the overall decline and fluctuation of the System's source capacity from 2009 to 2019 during the month of July. The System's monthly production reports further establish that its sources are heavily impacted during drought conditions as experienced during the past 10 years. Since the occurrence or the length of a drought is unpredictable, these sources are continually susceptible to producing record low flow rates as experienced during July 2018. Considering the System's historical variability in production, the System should understand the risk associated with their current sources in moving forward towards their compliance with

source capacity requirements. For reference, the monthly production summaries reported by the System have been attached to this letter.

Figure 2. Monthly Production Averages during the month of July for 2010-2019



Furthermore, it is the policy of the Division, as described under Section 106.3 of the Water Code and Section 116680 of the Health and Safety Code, to encourage water system consolidation whenever it provides for a more sustainable water system to ensure the human right to water. It is our belief that the formation of a consolidated water system that incorporates PPHCSD and the System will provide a significant increase in technical, managerial, and financial capacity resulting in greater water security for the community. Therefore, if the System decides to consolidate at any point and a consolidation agreement has been reached and executed by the two water systems, the Division is willing to accept for review and approval an updated Corrective Action Plan with an implementation schedule for achieving source capacity requirements through the consolidation project.

Despite these concerns it is understood that the System has decided to proceed with constructing as many water supply sources as may be necessary to meet source capacity requirements as imposed by Title 22, California Code of Regulations (CCR) Section 64554. Therefore, the Division hereby approves the Corrective Action Plan as submitted on August 17, 2019 and will be issuing an amended compliance order with deadlines based on the Corrective Action Plan's timeline. Please note that the proposed deadlines on the Corrective Action Plan will be modified to make up for the time it has taken the Division to respond to this matter.

RESPONSE TO REQUEST FOR REDUCTION OF MAXIMUM DAY DEMAND VALUE

As part of the Corrective Action Plan the System has also requested that the Division reduce the maximum day demand (MDD) from the value of 2.09 million gallons per day (MGD) to 1.78 MGD. Although during the past year there has been an increase in overall production as the result of increased Wrightwood Well site production, newly-installed Well 11, and conservation efforts that have taken place in recent years, the Division

cannot use the increase in production as a justification to change or lower the existing MDD value. The MDD is a calculated value based on the past 10 years of water demand and must be determined per Title 22 California Code of Regulations Section 64554.

As for the System no longer serving the Snowline School District, the Division cannot consider the reduction of these service connections until all service connections supplying the Snowline School District are physically removed. Please note that the request to reduce the MDD by the School District's usage would still be subject to the Division's review and approval and may not result in a reduction of the current MDD value.

The Division also reviewed the submitted pumping records for July 2014 and has determined that it cannot discount the requested production values for Well 8. The total amount produced by Well 8 on July 12, 2014 still needs to be considered regardless of operational settings that should have taken precedence.

The Division will however accept that the 2014 Annual Report that the System submitted showed a total production of 6.04-acre-feet, rather than the documented 6.4-acre-feet, which would reduce the MDD value to 1.97 MGD. Therefore, the Division will hereby correct the MDD value from 2.09 MGD to 1.97 MGD in the amended compliance order to the system.

The Division appreciates your continued efforts towards resolving this compliance issue. If you have any questions regarding this letter, please contact Hector Cazares at (909) 383-4312 or by email at hector.cazares@waterboards.ca.gov .

Sincerely,

Eric Zúñiga

Eric J. Zúñiga, P.E.
District Engineer
San Bernardino District
Southern California Field Operations Branch

Enclosures: IEC Feasibility Study
SCWC Monthly Production Records 2006 - 2019

cc: Omid Rabbani, SWRCB-DDW Water System Partnership Coordinator
omid.rabanni@waterboards.ca.gov
Karen Nishimoto, SWRCB-DDW Senior Engineer – Water System Engagement Unit South karen.nishimoto@waterboards.ca.gov
Sean McCarthy, DDW Section V Chief sean.mccarthy@waterboards.ca.gov
Don Bartz, PPHCSD General Manager dbartz@pphcsd.org

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August 28, 2019

Eric J. Zuniga, P.E.
District Engineer
San Bernardino District
Southern California Field Operations Branch
Division of Drinking Water
State Water Resources Control Board
464 W. 4th Street #437
San Bernardino, CA 92401
Eric.Zuniga@waterboards.ca.gov

RE: Compliance Order NO 05-13-18R-002
Approved Source Capacity Compliance
MDD Reduction Request

Dear Mr. Zuniga:

This letter is in regards to Compliance Order No 05-13-18R-002 (Compliance Order) issued to Sheep Creek Water Company (SCWC) on August 30, 2018, upon its finding of a violation of California *Health & Safety Code* Section 116555(a)(3) and California *Code of Regulations*, Title 22, Section 64554, based on the most recent ten (10) years of production data.

In Section 5 of its Compliance Order, the Division of Drinking Water (DDW) of the State Water Resources Control Board (SWRCB) directed SCWC to complete a feasibility study (Feasibility Study) to identify and evaluate the principle alternative solutions, including a discussion of the costs and potential environmental impacts, that would allow SCWC to meet a required Maximum Day Demand (MDD) of 2.09 million gallons a day (GPD) or 1,453 gallons per minute (GPM). One of the options that SCWC was directed to evaluate was consolidation with a nearby water district. Being that Phelan-Piñon Hills Community Services District (PPHCSD) surrounds SCWC, consolidation with PPHCSD was evaluated.

In addition to the Feasibility Study being developed, November 19, 2018, SCWC with the help of California Rural Water Association (CRWA) submitted its Preliminary Engineering Report; and, in response to questions and comments posed by the SWRCB, on July 2, 2019, CRWA submitted its Final Engineering Report to the SWRCB, which identified and evaluated the potential development of additional production facilities (Additional Facilities) and potential consolidation with PPHCSD (Consolidation).

The Additional Facilities alternative was evaluated based on the production capacities of SCWC's existing facilities and the viability of locations and projected capacity from up to six additional production facilities. The number of additional production facilities that would be required to

allow SCWC to meet its MDD requirements was found to depend upon the flow and water quality obtained from the additional production facilities initially drilled and tested.

The Consolidation alternative was evaluated based on a valuation of SCWC's assets and a plan that were presented to PPHCSD on June 21, 2019. At the PPHCSD Board Meeting on July 17, 2019, the PPHCSD Board rejected the consolidation plan presented by SCWC and did not present SCWC with a counter proposal, effectively eliminating Consolidation as an alternative and leaving SCWC with only the Additional Facilities alternative.

On August 17, 2019, Sheep Creek Water Company held a Special Meeting of the Shareholders to present the alternatives for compliance. The shareholders were informed that PPHCSD had rejected the Consolidation alternative, and presented with the question of whether they would support the Additional Facilities alternative, meaning that SCWC would need to drill additional facilities to comply with the Compliance Order. In the absence of a potential consolidation agreement upon which to vote, the shareholders gave the Board authority to proceed with drilling the required additional production facilities, by an affirmative vote of 3,304 out of the 4,340 votes cast. With the approval of the Sheep Creek Shareholders, SCWC's Board is prepared to proceed with the development of additional facilities to bring SCWC into compliance with the Compliance Order.

Before proceeding with the development of a Correction Action Plan for the Additional Facilities alternative under Section 6 of the Compliance Order, however, SCWC requests that the SWRCB allow SCWC to develop such additional facilities as will meet a lowered MDD of 1.78 GPD or 1,236 GPM, for the following reasons:

1. Since July 2018 (when water production was at its lowest), water levels have increased along with production at the Wrightwood Well Site by 525 GPM or .76 MGD.

2. With the completion of Well #11, production has increased an additional 251 GPM or .36 MGD.

3. Despite recent increases in production and water levels, SCWC Shareholders have continued to conserve water throughout the System, with consumption for July 2019 reflecting a decrease of 47% since July 2014 when compared to SCWC's MDD requirement of 2.09 MGD.

4. SCWC is no longer serving a portion of the Snowline School District, as follows:
    a. Three 2" service connections, one 1" service connection and an 8" fire service connection have been physically removed from the SCWC water system and transferred to PPHCSD, resulting in a total reduction in MDD estimated at .014 MGD or 10 GPM.
    b. SCWC has one additional 4" service, three additional 2" services and two additional 1" services that are shut off and not operating at this time. SCWC is working with Snowline School District to remove the service connections that are no longer needed due to PPHCSD taking over service. Once these service are disconnected, an additional MDD reduction is estimated at .09 MGD or 65 GPM.

5. The SWRCB Annual Report for 2014 which was completed in April 2015, reported:
    a. A max day usage on July 12, 2014 with a total production of 6.04 acre feet, 1.97 MGD or 1,367 GPM; and
    b. A difference between the reported amount and the compliance order of .12 MGD or 85 GPM.

6. A review of the pumping records for July 2014 Well #8 readings indicate that the July 12, 2014 run time would have been for multiple days.
    a. During 2014, all wells ran during off-peak pumping. The time clock allowed the wells to run a maximum of 9.0 hours per night.
    b. During the summer of 2014, Wells 2A and 3A were the primary running wells and Wells 4A and 8 were secondary. When the tank level dropped and the primary wells did not fill during the 9 hour run time the secondary wells would run the following night to fill the tank.
    c. Well #8 showed a run time of 15.5 hours which is 6.5 hours more than the 9 hour allowable time.
    d. Based on the daily production, Well 8 would have run on July 10, 2014 for the remaining 6.5 hours.
    e. Well 8's total production should have been 246,240 gallons rather than the 423,700 gallons.
    f. With the reduced production on Well 8 for July 12, 2014, an additional reduction in MDD is estimated at .18 MGD or 123 GPM.

Based on these factors, SCWC requests a reduction of .314 MGD or 218 GPM, to a new figure of 1.78 MGD or 1,236 GPM, to be achieved from the existing and Additional Production facilities it is preparing to develop. The Corrective Action Plan has been updated based on Shareholder approval of drilling additional wells for compliance.

Sheep Creek Water Company thanks the SWRCB for its help in bringing SCWC into compliance with its Source Capacity requirements, as adjusted by the requested reduction to 1.78 MGD. If you have additional questions regarding this letter please let me know.

Sincerely,

Chris Cummings
General Manager
Sheep Creek Water Company

cc: Sean McCarthy Sean.McCarthy@waterboards.ca.gov
cc: Hector Cazares Hector.Cazares@waterboards.ca.gov

Enclosures: Page 6 of 2014 EAR
July 2014 Snowline Monthly Usage
July 2014 Well Production Data
Corrective Action Plan- August 2019

used in 2014:	Source was in operation:	notified? (Y/N)	notified? (Y/N)	was used:

[2]Inactive sources are not approved as sources of supply and must be physically disconnected or otherwise isolated so that only an intentional act by an operator can place the source in service.

COMMENTS:

5. WATER PRODUCED, PURCHASED AND SOLD

The **Maximum Day** is the day during 2014 with the highest total water usage. Provide the *date* for that day in Column B, then complete Columns C, D and E, indicating how much of the water on that day was from each source.

The **Maximum Month** is the month during 2014 with the highest total water usage. Provide the *month* in Column B, then complete Columns C, D and E, indicating how much of the water during that month was from each source.

Units of Measure for this table: Acre-feet (AF)

Volumes are based on: METERED VOLUMES

A	B	C	D	E	F	G	H	I
	Potable Water						Non-potable (exclude recycled)	Recycled
	Date/ Month	Water Produced from Groundwater (Wells)	Water Produced from Surface Water[2]	Finished Water Purchased or Received from another PWS[5]	Total Amount of Potable Water[3*]	Water Sold to Another PWS[5]		
Maximum Day[1]	7-12-14	6.04	0	0	6.04	0		
Maximum Month	July	122.3	0	0	122.3	0		
January		57.16			57.16			
February		53.46			53.46			
March		66.69			66.69			
April		79.98			79.98			
May		100.20			100.2			
June		109.30			109.3			
July		122.30			122.3			
August		108.70			108.7			
September		102.30			102.3			
October		83.68			83.68			

Snowline School District
Share Usage
July 2014

Account #	Location	June Meter Reading	July Meter Reading	Usage CF	Usage TCF	Total Shares
169	1" Elementary	238585	254563	15978	15.978	12
219	80 Acre SHS	1843920	1866180	22260	22.26	16
220	80 Acre SHS	5288920	5312280	23360	23.36	17
578	2" Elementary	2335470	2405380	69910	69.91	52
642	80 Acre 1" Spanish Hill	679167	681787	2620	2.62	2
646	80 Acre 1" F.R. Bypass	726715	762394	35679	35.679	26
657	80 Acre 1" District Office	80084	87076	6992	6.992	5
997	80 Acre 2" Green House	2494980	2505690	10710	10.71	8
999	2" Chaparral	151240	157320	6080	6.08	5
1013	80 Acre 2" Maintenance	3315950	3316130	180	0.18	0
1014	80 Acre 4" Football	5844900	6190200	345300	345.3	256
1045	80 Acre 2" Curriculum	464810	465760	950	0.95	1
1064	80 Acre 2" Eagle Summit	473790	473910	120	0.12	0
				540139	540.139	400

Service Connections Physically Disconnected

Feed by PPHCSD- Plan for Disconnection

MDD Reduction Calculation

58,950 CF x 7.48 = 440,946 gallons ÷ 31 days= 14,224 gallons ÷ 1,440 minutes= 9.9 gpm

DAILY PRODUCTION FOR JULY 2014 GALLONS

Date	WELL # 2A	WELL # 3A	WELL # 4A	WELL # 5	WELL # 8	GPM	TUNNEL	TOTAL	CU.FT.	A.F.	GPM
1	480000	361000				279	402292.8	1243293	166215.6	3.815	863
2	494000	347000				279	402292.8	1243293	166215.6	3.815	863
3	517000	376000				279	402292.8	1295293	173167.5	3.9745	900
4	503000	360000				279	402292.8	1265293	169156.8	3.8825	879
5	490000	361000				279	402292.8	1253293	167552.5	3.8456	870
6	507000	359000				279	402292.8	1268293	169557.9	3.8917	881
7	468000	359000	31000	10000	17900	279	402292.8	1288193	172218.3	3.9527	895
8	490000	359000				279	402292.8	1251293	167285.1	3.8395	869
9	379000	359000				279	402292.8	1140293	152445.6	3.4989	792
10	512000	360000				279	402292.8	1274293	170360	3.9101	885
11	353000	350000				279	402292.8	1105293	147766.4	3.3915	768
12	501000	355000	286000		423700	279	402292.8	1967993	263100.6	6.0386	1367
13	509000	360000				279	402292.8	1271293	169958.9	3.9009	883
14	332000	348000	284000		180300	279	402292.8	1546593	206763.7	4.7456	1074
15	408000	355000				279	402292.8	1165293	155787.8	3.5756	809
16	470000	356000				279	402292.8	1228293	164210.3	3.7689	853
17	502000	355000				279	402292.8	1259293	168354.7	3.864	875
18	500000	356000				279	402292.8	1258293	168221	3.861	874
19	500000	357000				279	402292.8	1259293	168354.7	3.864	875
20	448000	345000			210200	279	402292.8	1405493	187900.1	4.3127	976
21	439000	360000				279	402292.8	1201293	160600.6	3.6861	834
22	477000	352000				279	402292.8	1231293	164611.3	3.7781	855
23	398000	357000				279	402292.8	1157293	154718.3	3.5511	804
24	293000	347000	275000		182500	279	402292.8	1499793	200507.1	4.602	1042
25	393000	357000				279	402292.8	1152293	154049.8	3.5357	800
26	285000	345000	296000		205200	279	402292.8	1533493	205012.4	4.7054	1065
27	389000	354000				279	402292.8	1145293	153114	3.5142	795
28	388000	355000	27000	9000	16100	279	402292.8	1197393	160079.3	3.6741	832
29	407000	355000				279	402292.8	1164293	155654.1	3.5725	809
30	258000	345000	242000		176600	279	402292.8	1423893	190360	4.3691	989
31	396000	354000		12000		279	402292.8	1164293	155654.1	3.5725	809
Ttl's	13486000	11019000	1441000	31000	1412500		12471077	39860577	5328954	**122.31**	
	A.F.	A.F.	A.F.	A.F.	A.F.	Av.	mgd	mgd	cu.ft/day	afd	
	41.380792	33.810985	4.4216017	0.0951212	4.3341516	**279**	0.402293	1.285825	171901.7	3.9455	
							A.F.				
							38.26658				

MSEXCEL/DAILYPROD14

SHEEP CREEK WATER COMPANY

TANK # 7

TELEMETRY SETTINGS
SUMMER SETTINGS

DATE: May 1, 2014

SETTING #		SETTING %	
00	= Current Tank Level		
01	= Well #2A **ON**	45	
02	= Well #2A **OFF**	92	
03	= Well #3A **ON**	70	
04	= Well #3A **OFF**	96	
05	= Well #4A **ON**	20	
06	= Well #4A **OFF**	87	
07	= Well #5 **ON**	15	
08	= Well #5 **OFF**	90	
09	= High Tank Level Alarm	105	
10	= Low Bypass	18	30 sec. delay on low
11	= Time Clock Bypass Well #2	18	5% below low level is dial out alarm
12	= Time Clock Bypass Well #3A	18	Low alarm dial out at 25%
13	= Time Clock Bypass Well #4A	18	
14	= Time Clock Bypass Well #5	18	
15	= Low Alarm Bypass	13	
16	= Well #8 **ON**	23	
17	= Time Clock Bypass Well #8	21	
18	= Well #8 **OFF**	88	
19	= Well # **ON**		
20	= Time Clock Bypass Well #		
21	= Well # **OFF**		
22	= Keystone Tank #7 Distribution	3600	10% loss based on seconds entered 3600=1 hour, resets level after time set

Tank # 7 Phone Number 249-4029

SHEEPCREEK WATER COMPANY
MONTHLY PUMPING REPORT

UNIT: WELL # 2A

MONTH: July 2014

Prod. Mtr Multiplier: 1000

Day	Water Pumped Meter Reading	Quantity	Hours Pumped Meter Reading	Hours Ran	Power Consumption Meter Reading	Units	KWH (Edison Multi. 1)
Sub-Total	1061	1061	23 8	23 8	50	50	50
31	129870	396	1871 6	8 9	3361	18	18
30	129474	258	1862 7	5 9	3343	14	14
29	129216	407	1856.8	9.0	3329	18	18
Sub-Total	2623	2623	57 5	57 5	119	119	119
28	128809	388	1847 8	8 9	3311	18	18
27	128421	389	1838 9	8 9	3293	18	18
26	128032	285	1830.0	6 6	3275	14	14
25	127747	393	1823 4	8 9	3261	18	18
24	127354	293	1814 5	6 6	3243	15	15
23	127061	398	1807.9	9 0	3228	18	18
22	126663	477	1798 9	8 6	3210	18	18
Sub-Total	3267	3267	58.4	58 4	124	124	124
21	126186	439	1790 3	7 9	3192	18	18
20	125747	448	1782 4	8.0	3174	17	17
19	125299	500	1774 4	9 0	3157	18	18
18	124799	500	1765 4	9 0	3139	18	18
17	124299	502	1756 4	8 9	3121	19	19
16	123797	470	1747 5	8 3	3102	17	17
15	123327	408	1739 2	7 3	3085	17	17
Sub-Total	3076	3076	54 1	54 1	117	117	117
14	122919	332	1731 9	5 9	3068	14	14
13	122587	509	1726.0	9 0	3054	19	19
12	122078	501	1717 0	8 8	3035	18	18
11	121577	353	1708.2	6 3	3017	15	15
10	121224	512	1701 9	8 9	3002	18	18
09	120712	379	1693 0	6 6	2984	15	15
08	120333	490	1686.4	8 6	2969	18	18
Sub-Total	3459	3459	1686.4	60 0	125	125	125
07	119843	468	1677 8	8 1	2951	18	18
06	119375	507	1669 7	9 1	2933	18	18
05	118868	490	1660.6	8 3	2915	18	18
04	118378	503	1652 3	8 7	2897	18	18
03	117875	517	1643 6	8 9	2879	18	18
02	117358	494	1634 7	8.6	2861	18	18
01	116864	480	1626 1	8.3	2843	17	17
Previous	116384		1617.8		2826		
Monthly Total	13486	13486	253 8	253 8	535	535	535
To.Gal.	13,486,000	13,486,000					

MSEXCEL/MPR

Water Levels Water Above the Bowls		
Date	Static	Pumping
7	410	
14	420	380
21	410	
28	412	385
Average		

SCWC Average GPM 886

SCE Rating GPM

9/26/12- Well Approved for service

SHEEPCREEK WATER COMPANY
MONTHLY PUMPING REPORT

UNIT: WELL # 3 A

MONTH: July 2014

Prod. Mtr Multiplier: 1000

Edison Multi: 1

Day	Water Pumped Meter Reading	Quantity	Hours Pumped Meter Reading	Hours Ran	Power Consumption Meter Reading	Units	K.W.H
Sub-Total	1054	1054	26 9	26 9	50	50	50
31	54793	354	1054 2	9 0	3361	18	18
30	54439	345	1045.2	8 9	3343	14	14
29	54094	355	1036.3	9 0	3329	18	18
Sub-Total	2467	2467	62.4	62 4	119	119	119
28	53739	355	1027 3	8 9	3311	18	18
27	53384	354	1018 4	8 9	3293	18	18
26	53030	345	1009 5	8 9	3275	14	14
25	52685	357	1000 6	8 9	3261	18	18
24	52328	347	991 7	9 0	3243	15	15
23	51981	357	982 7	8 9	3228	18	18
22	51624	352	973 8	8 9	3210	18	18
	2484	2484	62 5	62 5	124	124	124
21	51272	360	964 9	9 3	3192	18	18
20	50912	345	955 6	8 5	3174	17	17
19	50567	357	947 1	9 0	3157	18	18
18	50210	356	938 1	8 9	3139	18	18
17	49854	355	929 2	8 9	3121	19	19
16	49499	356	920 3	8 9	3102	17	17
15	49143	355	911 4	9 0	3085	17	17
Sub-Total	2491	2491	62 4	62 4	117	103	103
14	48788	348	902 4	8 9	3068	14	14
13	48440	360	893 5	8 9	3054	19	19
12	48080	355	884.6	8 9	3035	18	18
11	47725	350	875 7	9 0	3017	15	15
10	47375	360	866 7	8 9	3002	18	18
09	47015	359	857 8	8 9	2984	15	15
08	46656	359	848 9	8 9	2969	18	18
Sub-Total	2523	2523	62 5	62 5	125	125	125
07	46297	359	840 0	8 9	2951	18	18
06	45938	359	831 1	9 0	2933	18	18
05	45579	361	822 1	8 9	2915	18	18
04	45218	360	813 2	8 9	2897	18	18
03	44858	376	804 3	9 4	2879	18	18
02	44482	347	794 9	8 5	2861	18	18
01	44135	361	786 4	8 9	2843	17	17
Previous	43774		777 5		2826		
Monthly Total	11019	11019	276 7	276 7	535	521	521
To.Gal	11,019,000	11,019,000					

MSEXCEL/MPR

SCE Meter # 0828W-000192

Flow Meter- FLOWCOM SN 20023511-8"

Water Levels Water Above the Bowls		
Date	Static	Pumping
7	212	190
14	211	
21	206	
28	203	184
Average		

SCWC Average GPM	SCE Rating GPM
664	VFD

8-18-10 Change Upper Bearing Oil 4,587 3 HRS on current meter, total HRS on Oil 12,724 5

7-10-12 Replaced Flow Meter

8-30-12 Lightning damaged VFD
10/11/12 SCE Meter Removed
10/31/12 New VFD Complete Well on Line
10/31/12 New Hour Meter, Old Reading- 15413 1

SHEEPCREEK WATER COMPANY
MONTHLY PUMPING REPORT

UNIT
WELL # 4A

MONTH
July 2014

Prod Mtr Multiplier 1000

Edison Multi 40

Day	Water Pumped Meter Reading	Quantity	Meter Reading	Hours Ran	Power Consumption Meter Reading	Units	K.W.H
Sub-Total	242	242	5 4	5 4	16	16	640
31	58748	0	874 5	0 0	7957	0	0
30	58748	242	874 5	5 4	7957	16	640
29	58506	0	869 1	0 0	7941	0	0
Sub-Total	598	598	13 2	13 2	51	51	2040
28	58506	27	869 1	0 7	7941	3	120
27	58479	0	868 4	0 0	7938	0	0
26	58479	296	868 4	6 5	7938	20	800
25	58183	0	861.9	0 0	7918	0	0
24	58183	275	861.9	6.0	7918	28	1120
23	57908	0	855 9	0 0	7890	0	0
22	57908	0	855.9	0 0	7890	0	0
Sub-Total	0	0	0.0	0 0	3	3	120
21	57908	0	855 9	0 0	7890	0	0
20	57908	0	855 9	0 0	7890	3	120
19	57908	0	855 9	0 0	7887	0	0
18	57908	0	855 9	0 0	7887	0	0
17	57908	0	855.9	0 0	7887	0	0
16	57908	0	855 9	0 0	7887	0	0
15	57908	0	855.9	0 0	7887	0	0
Sub-Total	570	570	11 8	11 8	46	46	1840
14	57908	284	855 9	5 9	7887	18	720
13	57624	0	850 0	0 0	7869	0	0
12	57624	286	850 0	5 9	7869	28	1120
11	57338	0	844 1	0 0	7841	0	0
10	57338	0	844 1	0 0	7841	0	0
09	57338	0	844 1	0 0	7841	0	0
08	57338	0	844 1	0 0	7841	0	0
Sub-Total	31	31	0 7	0 7	13	13	520
07	57338	31	844 1	0 7	7841	13	520
06	57307	0	843 4	0 0	7828	0	0
05	57307	0	843 4	0 0	7828	0	0
04	57307	0	843 4	0 0	7828	0	0
03	57307	0	843 4	0 0	7828	0	0
02	57307	0	843 4	0 0	7828	0	0
01	57307	0	843.4	0 0	7828	0	0
Previous	57307		843.4		7828		
Monthly Total	1441	1441	31 1	31 1	129	129	5160

To.Gal.	1,441,000	1,441,000

MSEXCEL/MPR

SCE Meter # 349-012954

Flow Meter- FLOWCOM SN 20041188-10"

Water Levels Water Above the Bowls		
Date	Static	Pumping
7	170	
14	165	146
21	162	
28	160	134
Average		

SCWC	SCE	
Average	Rating 11/16/2006	
GPM	GPM	730 @ 50 Hz
772	VFD	200-1000

8-18-10 Change Upper Bearing Oil 4,374 3 HRS

11-8-11 New Electric Meter

7-10-12 Replaced Flow Meter

8-30-12 Lightning damaged VFD
11/1/12 New VFD Complete Well on Line
11/1/12 New Hour Meter, Old Reading- 6271 8

SHEEPCREEK WATER COMPANY
MONTHLY PUMPING REPORT

UNIT: WELL # 8
MONTH: July 2014
Prod. Mtr Multiplier: 100
Edison Multi.: 40

Day	Water Pumped Meter Reading	Quantity		Hours Pumped Meter Reading	Hours Ran		Power Consumption Meter Reading	Units	K W H
Sub-Total	1766	1766		6.7	6.7		16	16	640
31	508490	0		1328.4	0.0		7957	0	0
30	508490	1766		1328.4	6.7		7957	16	640
29	506724	0		1321.7	0.0		7941	0	0
Sub-Total	4038	4038		0.0	15.0		51	51	2040
28	506724	161		1321.7	0.6		7941	3	120
27	506563	0		1321.1	0.0		7938	0	0
26	506563	2052		1321.1	7.6		7938	20	800
25	504511	0		1313.5	0.0		7918	0	0
24	504511	1825		1313.5	6.8		7918	28	1120
23	502686	0		1306.7	0.0		7890	0	0
22	502686	0		1306.7	0.0		7890	0	0
Sub-Total	2102	2102		7.8	7.8		3	3	120
21	502686	0		1306.7	0.0		7890	0	0
20	502686	2102		1306.7	7.8		7890	3	120
19	500584	0		1298.9	0.0		7887	0	0
18	500584	0		1298.9	0.0		7887	0	0
17	500584	0		1298.9	0.0		7887	0	0
16	500584	0		1298.9	0.0		7887	0	0
15	500584	0		1298.9	0.0		7887	0	0
Sub-Total	6040	6040		22.1	22.1		46	46	1840
14	500584	1803		1298.9	6.6		7887	18	720
13	498781	0		1292.3	0.0		7869	0	0
12	498781	4237		1292.3	15.5		7869	28	1120
11	494544	0		1276.8	0.0		7841	0	0
10	494544	0		1276.8	0.0		7841	0	0
09	494544	0		1276.8	0.0		7841	0	0
08	494544	0		1276.8	0.0		7841	0	0
Sub-Total	179	179		0.7	0.7		13	13	520
07	494544	179		1276.8	0.7		7841	13	520
06	494365	0		1276.1	0.0		7828	0	0
05	494365	0		1276.1	0.0		7828	0	0
04	494365	0		1276.1	0.0		7828	0	0
03	494365	0		1276.1	0.0		7828	0	0
02	494365	0		1276.1	0.0		7828	0	0
01	494365	0		1276.1	0.0		7828	0	0
Previous	494365			1276.1			7828		
Monthly Total	14125	14125		52.3	52.3		129	129	5160
To.Gal.	1,412,500	1,412,500							

SCE Meter # 349-012954

Flow Meter- FLOWCOM SN 04-06568-8"

Water Levels Water Above the Bowls		
Date	Static	Pumping
7	120	
14	120	106
21	112	
28	112	98
Average		

SCWC	SCE	
Average	Rating 11/16/2006	
GPM	GPM	503 @ 50 Hz
450	VFD	200-1000

8-18-10 Change Upper Bearing Oil 6,122 4 HRS

10-21-10 Hour Meter Not Working
Times estimated using Well #4A readings

11-8-11 New Electric Meter

7-10-12 Replaced Flow Meter

8-30-12 Lightning damaged VFD
11/1/12 New VFD Complete Well on Line
11/1/12 New Hour Meter, Old Reading- 1985 6

MSEXCEL/MPR

SHEEPCREEK WATER COMPANY
MONTHLY PUMPING REPORT

UNIT: WELL # 5

MONTH: July 2014

Prod. Mtr Multipier: 1000

Day	Water Pumped Meter Reading	Quantity	Hours Pumped Meter Reading	Hours Ran	Power Consumption Meter Reading	Units	K.W.H	Edison Multi. 1
Sub-Total	12	12	0 8	0 8	0	0	0	
31	23322	12	21833 1	0.8	40462	0	0	
30	23310	0	21832.3	0.0	40462	0	0	
29	23310	0	21832.3	0.0	40462	0	0	
Sub-Total	9	9	0 5	0.5	19	19	19	
28	23310	9	21832 3	0.5	40462	19	19	
27	23301	0	21831 8	0.0	40443	0	0	
26	23301	0	21831 8	0.0	40443	0	0	
25	23301	0	21831 8	0.0	40443	0	0	
24	23301	0	21831 8	0.0	40443	0	0	
23	23301	0	21831 8	0.0	40443	0	0	
22	23301	0	21831.8	0.0	40443	0	0	
Sub-Total	0	0	0.0	0.0	0	0	0	
21	23301	0	21831 8	0 0	40443	0	0	
20	23301	0	21831 8	0 0	40443	0	0	
19	23301	0	21831 8	0 0	40443	0	0	
18	23301	0	21831 8	0 0	40443	0	0	
17	23301	0	21831 8	0 0	40443	0	0	
16	23301	0	21831 8	0 0	40443	0	0	
15	23301	0	21831 8	0 0	40443	0	0	
Sub-Total	0	0	0.0	0 0	0	0	0	
14	23301	0	21831 8	0.0	40443	0	0	
13	23301	0	21831 8	0.0	40443	0	0	
12	23301	0	21831 8	0.0	40443	0	0	
11	23301	0	21831 8	0.0	40443	0	0	
10	23301	0	21831 8	0.0	40443	0	0	
09	23301	0	21831.8	0.0	40443	0	0	
08	23301	0	21831.8	0.0	40443	0	0	
Sub-Total	10	10	0 7	0.7	23	23	23	
07	23301	10	21831 8	0 7	40443	23	23	
06	23291	0	21831 1	0 0	40420	0	0	
05	23291	0	21831 1	0 0	40420	0	0	
04	23291	0	21831 1	0 0	40420	0	0	
03	23291	0	21831 1	0 0	40420	0	0	
02	23291	0	21831 1	0 0	40420	0	0	
01	23291	0	21831 1	0 0	40420	0	0	
Previous	23291		21831 1		40420			
Monthly Total	31	31	2 0	2	42	42	42	
To.Gal.	31,000	31,000						

MSEXCEL/MPR

SCE Meter # 0828W-000193

Flow Meter- FLOWCOM SN 911778/20023511-6"

Water Levels Water Above the Bowls		
Date	Static	Pumping
7	210	
14	205	196
21	203	
28	203	186

Average

S C W C
Average
GPM
258

S C E.
Rating 11/16/2006
GPM 311

8/31/04 Pumping Air

9/5/04 Lowered 50'
Replaced moter with 40hp

1/12/05 Flow meter not accurate
Needs calibrated

7-10-12 Replaced Flow Meter

Sheep Creek Water Company
4200 Sunnyslope Rd.
P.O. Box 291820
Phelan, CA 92329-1820
Office (760) 868-3755/Fax (760) 868-2174
Email sheepcreek@verizon.net / www.sheepcreekwater.com

CORRECTIVE ACTION PLAN

SWRCB Compliance order NO 05-13-18R002

June 2019
Updated August 28, 2019

Sheep Creek Water Company (SCWC) is a private Shareholder owned Water Company with approximately 1,400 shareholders totaling 8,000 shares in the company servicing a portion of the community of Phelan. The majority of SCWC's water supplies come from an underground Tunnel and 5 ground water wells within the Swarthout Canyon. The SCWC water system is recognized by the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW) as Sheep Creek Water Company (Water System No. CA3610109). The water system is classified as a Community Water System and supplies water for domestic purposes to the unincorporated portions of San Bernardino County in Phelan, CA. DDW regulates the water system under Domestic Water Supply Permit No.78-007 as issued on February 9, 1978 with the newest permit amendment for Well #11 dated November 28, 2018.

Due to drought conditions in the State of California and below average rainfall in the area, in 2016, water supplies within the Swarthout Canyon continued to decline. February 2016, SCWC was capable of producing 3,001 gpm suppling an allotment of 1,000 cubic per share to the 8,000 shares available in the company. May 2016 supply dropped to 2,569 gpm with weekly drops in production and water levels. By the end of August 2016 production on the SCWC supply was down to 640 gpm. Due to the drops in production, the Board of Directors began to lower the allotment on shares to cut water use to remain within production. SCWC received water from Phelan Pinon Hills Community Service District (PPHCSD) from August 2, 2016 through September 6, 2016.

In preparation of the 2017 summer and continued lack of recharge in the Sheep Creek Canyon, the Board of Directors continued to cut the allotment to keep consumption within the available production. In spring 2018, SCWC began to see additional drops in production and water levels with the high of 1,301 gpm in February 2018 and the lowest production in July 2018 at 502 gpm. The Board of Directors continued to implement drastic cuts in the water allotment along with implementing a tiered water rate and increasing overage charges. SCWC began to receive water from PPHCSD on August 10, 2018 and on August 22, 2018, SCWC notified the SWRCB that SCWC will continue to purchase water from PPHCSD. SCWC purchased water from PPHCSD until August 30, 2018.

On August 30, 2018, SCWC received a Compliance order from the SWRCB for a Source Capacity Violation due to SCWC unable to meet the Max Day Demands (MDD). The highest recorded MDD was on July 12, 2014 with a total production of 1.78 million gallons per day (MGD). Upon the receipt of the Compliance Order, SCWC was nearly complete with a secondary source of supply within the Mojave

Water Agency boundaries located in the Alto Sub Basin. Well #11 was approved and permitted by the SWRCB, DDW on November 28, 2018 with a production of 251 gpm.

As required by the SWRCB Compliance Order, a feasibility study by Infrastructure Engineering Corporation (IEC) was completed with two alternative plans for bringing SCWC into compliance. Due to SCWC being a Shareholder owned company overseen by a Board of Directors elected by the Shareholders, the Board began exploring both alternatives for compliance. The Board of Directors planned to present both alternatives to the Shareholders at the SCWC Annual Shareholders Meeting on May 11, 2019 but did not have enough information regarding consolidation to ask for a vote. SCWC sent a letter to the SWRCB-DDW on April 19, 2019 requesting an extension of time to have a vote of the Shareholders as to the preferred alternative of compliance. On May 10, 2019, the SWRCB-DDW granted SCWC an extension of time until August 31, 2019 for preferred plan of compliance.

The following timeline for Shareholder approved alternative compliance plan:

- Revised Compliance Plan Due- June 1, 2019
- PPHCSD Discussions and Consolidation Plan- June 2019 – July 2019
    - SCWC proposed consolidation plan to be submitted to PPHCSD- June 7, 2019
    - Appraisal of Sheep Creek Water District- July 1, 2019
    - Additional Committee Meeting(s) to discuss proposed consolidation
- Discuss with SWRCB-DFA for available funding opportunities
- Prepare Special Shareholders Meeting- July – August 2019
    - Prepare agenda with proposed alternatives of compliance
    - Prepare information and material for Shareholders- July 1 – 12, 2019
    - Send information to Shareholders for Special Meeting- July 17, 2019
- Special Shareholders Meeting- August 17, 2019
    - Vote of the Shareholders to approve preferred alternative for compliance
- Notify SWRCB-DDW of Shareholder approved alternative for compliance- August 30, 2019

Drill Additional Well for Source Capacity Compliance

SCWC has taken action over the past several years to reduce the systems MDD. SCWC began reducing water allotments along with reducing demand in May 2015 with the implementation of the Governor of California's Drought Regulation, mandating a 20% reduction in all water use. Along with the reductions in 2015, the SCWC Board of Directors continued to reduce water allotments as water levels and production began and continued to fall. The SCWC Board of Directors also implemented a Tiered water rate structure to reduce additional water use over Shareholders allotment.

SCWC began taking action to alleviate the source capacity issues with the approval of Well #11, to be located outside of the company's exiting well field and drilled within the Alto Sub Basin located within the Mojave Water Agencies Boundaries. CEQA was completed in early 2018 and the well was drilled and completed by fall 2018. The SWRCB approved the well into the system in November 2018 after the Source Capacity Violation was issued. The increased capacity of .36 MGD combined with the lowest capacity of .72 MGD brings the total pumping capacity of SCWC to 1.08 MGD leaving a deficit of .70 MGD. The 1.08 MGD does not take into account the regulation of the highest producing source being taken offline.

With the recommendation from the required feasibility study that was completed by IEC, up to four additional wells will need to be drilled within the SCWC water district. The assumption of four wells is based on the recently completed SCWC Well #11. Well #11 was drilled to a depth of 1,500 feet with a production of 250 GPM at a water level of approximately 950 feet below ground surface. Following approval from the SCWC Shareholders to move forward, the Board of Directors will begin the process for the installation of the first well (Well #12) in the project. SCWC will continue to drill the additional wells as needed to produce the additional .70 MGD. With the assumption that the additional wells produce .36 MGD as Well #11, a total of three wells may need to be drilled to meet the SWRCB regulation for a water systems MDD.

SCWC will locate the new wells within the best location of existing pipeline infrastructure. With locating the wells within areas of the water system that have larger diameter pipelines, this will reduce the infrastructure needed to connect the wells to the system along with reducing the cost to the Shareholders. As of this time, the cost, construction, water production and water quality for all additional wells are being based on the newly completed Well #11. Water quality is unknown and is not taken into account in the proposed timeline. Water quality will be addressed if necessary following the completion of title 22 water quality sampling.

With Shareholder approval to drill additional wells, the following will be completed for compliance:

- Continue working with CRWA for funding of new wells and possible infrastructure upgrades
- CEQA compliance for each well project needed
    - If possible, projects to be combined
- Installation of Well #12 & 13
    - Drill well with estimated depth of 1,500 feet
    - 12 – 16 inch diameter casing with estimated 500 foot louvered section
    - Test pump well with estimated production of 250 GPM or .36 MGD
    - Application for Southern California Edison- Electrical Service
    - Installation of pumping equipment
    - Well head pipe work
    - Onsite and offsite pipe work to connect to water system- Estimated distance 500 feet
    - Installation of electrical equipment and SCE service
- Installation of Well #14 & 15 (If Necessary for Compliance)
    - Drill well with estimated depth of 1,500 feet
    - 12 – 16 inch diameter casing with estimated 500 foot louvered section
    - Test pump well with estimated production of 250 GPM or .36 MGD
    - Application for Southern California Edison- Electrical Service
    - Installation of pumping equipment
    - Well head pipe work
    - Onsite and offsite pipe work to connect to water system- Estimated distance 2800 feet
    - Installation of electrical equipment and SCE service

Funding SCWC has been working with the California Rural Water Association (CRWA) for two years to acquire grant funding to bring SCWC into compliance and complete additional projects within the water district. SCWC will continue to work with CRWA to seek funding from SWRCB-DFA for

completion of the additional wells as recommend in the Final Engineering Report that was submitted in July 2019.

SCWC is working with a funding consultant, Waterfunder LLC, for private funding along with possible additional grant funding that may be available. The options for payment of the loans will be put to the Shareholders to vote on payment options.

Estimated cost per well is based on similar design as Well #11:

- $900,000 per well with pipeline & electrical installation
    - Estimated cost per share per well for loan repayment- $150 per share
        - Estimated cost is based on 10 year loan with assessment collection cost
    - Estimated cost per service connection per month per well for loan repayment- $8.00 per service- $960 per meter service
        - Estimated cost is based on 10 year loan with interest
- Upon approval by the SWRCB-DDW, as additional source capacity becomes available, SCWC can begin issuing new service connections with the additional funds to be available for the wells or any outstanding loans lowering the cost to the existing water users and Shareholders.

Timeline for Compliance With approval of the SCWC Shareholders to move forward with drilling additional wells within the SCWC water system, staff will begin moving forward with well locations for the additional wells. The plan is to work on the first two wells concurrently if possible to cut time on the project. Following approval of locations from the Board of Directors, CEQA documents will be completed and submitted. During the CEQA process, property acquisition will be completed, necessary permitting will begin and Bids will be submitted for well drilling. Following completion of test pumping, SCE application will be made, pumping equipment installed, on and off site pipe work will be completed concurrently. Documentation will be submitted to SWRCB-DDW for approval of a new water source.

Estimated Project Timeline

ID	Task Name	Duration	Estimated Start Date	Estimated Completion Date
1.	**Project**		**September 2019**	**June 2023**
2.	Funding, Applications & Approvals		September 2020	
3.	Well Site Location & Acquisition		January 2020	
4.	CEQA Wells 12 & 13			**October 2020**
	a. Initial Study	3 months		
	b. Lead Agency Submittal	2 months		
	c. Review & Comment Period	30 days		
	d. Mitigation	4 Months		
5.	Engineering & Permitting	4 months		
6.	**Bid Project/Award Contract**	**60 days**		**November 2020**
7.	**Well No 12**		January 2021	

8. Drill, Case, Test Well	60 days		
9. Well Site Acquisition- Well 14 & 15	3 Months		
10. CEQA Wells 14 & 15 (see Item 4 a-d)	10 months		
11. Construct Well Site and Offsite Pipeline	90 days		
12. Equipment Lead Time	60 days		
13. SCE Application for Service	6 months		
14. County Permit	30 days		
15. DDW Permit	45 days		
16. Well 12 Complete	0 days		**December 2021**
17. **Well No 13**		June 2021	
18. Drill, Case, Test Well	60 days		
19. Construct Well Site and Offsite Pipeline	90 days		
20. Equipment Lead Time	60 days		
21. SCE Application for Service	6 months		
22. County Permit	30 days		
23. DDW Permit	45 days		
24. Well 13 Complete	0 days		**May 2022**
25. **Well No 14- If Necessary**		January 2022	
26. Drill, Case, Test Well	60 days		
27. Construct Well Site and Offsite Pipeline	90 days		
28. Equipment Lead Time	60 days		
29. SCE Application for Service	6 months		
30. County Permit	30 days		
31. DDW Permit	45 days		
32. Well 14 Complete	0 days		**December 2022**
33. **Well No 15- If Necessary**		June 2022	
34. Drill, Case, Test Well	60 days		
35. Construct Well Site and Offsite Pipeline	90 days		
36. Equipment Lead Time	60 days		
37. SCE Application for Service	6 months		
38. County Permit	30 days		
39. DDW Permit	45 days		
40. Well 15 Complete	0 days		**May 2023**
41. Compliance with SWRCB			**June 2023**

Appendix 3

Financial Assessment Questionnaire for Disadvantaged Medium/Large Community Water Systems

Financial Assessment Questionnaire for Disadvantaged Medium/Large CWS

Asset Management

1) Do you have as-built drawings and maps of all water system facilities showing the locations of each water source, treatment facilities, pumping plant(s), storage tanks, water mains, isolation valves, etc.? Choose an item. When were the schematic drawings and maps last updated? Click or tap to enter a date.

2) Do you have an asset inventory? Choose an item.

3) Do you evaluate assets for their condition and/or criticality of repair, rehabilitation, or replacement? Choose an item. What is the date of the last evaluation? Click or tap to enter a date.

4) Do you have an asset management plan? Choose an item. What is the date of the plan? Click or tap to enter a date.

Strategic Plans - Master Plan / Capital Improvement Plan / Facility Replacement and Refurbishment Plan

5) Do you have a Master Plan (MP), Capital Improvement Plan (CIP), or another strategic plan? Choose an item. What is the date of the last update? Click or tap to enter a date.

6) What percent of your annual budget is allocated to CIP reserve? Choose an item. How often is the CIP Reserve funded? Choose an item. Is the annual amount funded to the CIP reserve equal to or greater than the amount of depreciation of system assets? Choose an item.

Reserves Management

7) Do you maintain separate reserve funds? Choose an item.
   If so, do you have the following types of reserve funds:
   a. Debt Choose an item. What percent of your budget is deposited annually? Choose an item.
   b. Operations Choose an item. What percent of your budget is deposited annually? Choose an item.
   c. Emergency Choose an item. What percent of your budget is deposited annually? Choose an item.
   d. Capital Choose an item. What percent of your budget is deposited annually? Choose an item.

8) Are there specific deposit and withdrawal policies or guidelines for the reserve accounts? Choose an item.

9) Do you have mutual aid arrangements in place? Choose an item.
   a. Do you have a funding mechanism in place to support mutual aid requests? Choose an item.

Debt Management

10) Do you have any outstanding private, State, or Federal loans related to the water system? Choose an item. If so, what is the date of final debt payout? Click or tap to enter a date. Is the water system delinquent or in default on any debt(s)? Choose an item.

11) Are all the necessary debt reserve requirements met? Choose an item.

12) Is the water system utilizing long-term debt to finance operations? Choose an item.

Financial Budgeting

13) Is your drinking water system budget maintained separately from other utility or service budgets? Choose an item.

14) Does your drinking water system prepare an annual budget document for the upcoming year's operating plan, clearly identifying the projected revenue? Choose an item. Is this budget adopted before the beginning of the fiscal year? Choose an item.

Financial Planning

15) Have revenues been sufficient to cover expenses for the past three years? Choose an item.
    a. Are total revenues sufficient to cover total expenses (including the debt payment, CIP upgrades, and the costs of emergency maintenance)? Choose an item.
    b. Are rates high enough to meet short term and long-term needs? Choose an item.
    c. Is there a formal growth-pays-for-growth policy and is it reflected in the rate structure? Choose an item.
    d. When was the last rate increase? Click or tap to enter a date.
    e. When were water rates last evaluated? Click or tap to enter a date.

16) What percentage of customers do not pay their bill? Choose an item. Is non-payment absorbed into the budget? Choose an item. Are there reserves maintained to make-up for customer non-payment? Choose an item.

Financial Accounting

17) Does the water system have formal accounting systems and written procedures for financial records? Choose an item.

18) Who records financial transactions? Choose an item. Who approves financial transactions? Choose an item.

19) How often are bank statements reconciled against the water system's accounting records? Choose an item. Who performs the reconciliation? Choose an item.

Financial Reporting

20) Are financial reports/standard financial statements prepared for review by the governing board/auditor? Choose an item. How often? Choose an item. Are these reports and standards routinely made available to system customers? Choose an item.

Board Members Training

21) Have board members received training on financial budgeting and obligations, if applicable? Choose an item.

Appendix 4

Source Capacity Evaluation

10-year (2009 to 2018) MDD Source Capacity Evaluation for Sheep Creek Water Company (3610109)

	Parameter:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Production	Max Day (MG)	1.83	1.68	1.9	1.78	1.76	1.97	1.14	1.54	1.06	1.09
	Date	*Aug-12th*	*Jul-25th*	*Jun-6th*	*Aug-26th*	*Jul-13th*	*Jul-4th*	*Aug-8th*	*June-30th*	*June-30th*	*May-8th*
	Max Month (MG)	36.35		35.05	39.15	38.96	39.81	29.49	35.7	25.49	22.71
	Date	*Aug.*	*July*	*July*	*August*	*July*	*July*	*August*	*August*	*August*	*August*
	Annual (MG)	279.21	264.84	270.34	304.3	333.38	330.16	260.24	252.51	223.5	197.99
Purchased	Max Day (MG)	0	0	0	0	0	0	0	0	0	0
	Date	-	-	-	-	-	-	-	-	-	-
	Max Month (MG)	0	0	0	0	0.08	0	0	4.06	0	5.52
	Date	-	-	-	-	-	-	-	-	-	-
	Annual (MG)	0	0	0	0	0.08	0	0	4.64	0	5.52
Sold	Max Day (MG)	0.6	0	0	0	0	0	0	0	0	0
	Date	*Aug-11th*	-	-	-	-	-	-	-	-	-
	Max Month (MG)	2.6	0	0	0	0.92	0	0.25	0	0	0
	Date	*August*	-	-	-	*June*	-	-	-	-	-
	Annual (MG)	2.6	0	0	0	0.92	0	0.41	0	0	0
Daily Basis	Max Day Demand (MDD)	1.23	1.68	1.9	1.78	1.76	1.97	1.14	1.54	1.06	1.09
	Avg. Hr Flow	0.05	0.07	0.08	0.07	0.07	0.08	0.05	0.06	0.04	0.05
	PHD = Avg. Hr x 1.5	0.08	0.11	0.12	0.11	0.11	0.12	0.07	0.10	0.07	0.07
Yearly Basis	Annual Demand	276.61	264.84	270.34	304.3	332.54	330.16	259.83	257.15	223.5	203.51
	Avg. Daily Usage	0.76	0.73	0.74	0.83	0.91	0.90	0.71	0.70	0.61	0.56
	MDD = Avg. Daily*2.25(MDD)	1.71	1.63	1.67	1.88	2.05	2.04	1.60	1.59	1.38	1.25
	Peak Hourly Demand (PHD)	0.11	0.10	0.10	0.12	0.13	0.13	0.10	0.10	0.09	0.08

DEMAND:

Maximum Day Demand (MDD) **1.97** MG — Production+Purchased-Sold= Demand Based on Year Basis

Lowest 10-year MDD: 1.06 MG

PRODUCTION:

Source	Capacity (gpm)	Comments
Well 2A	30	Based on July 2018 production records and Well 11 pump test from November 2018
Well 3A	25	
Well 4A	60	
Well 5	124	
Well 8	141	
Well 11	251	
Tunnel	122	
Active Interconnections		
None		
Emergency Interconnections		
Phelan Pinon Hills CSD (3610120)		excluded from calculations, not permitted as a permanent interconnection
Surface Water		
None		
Production Summary		
Sources	753	
Interties	0	
Total	753 gpm	
	1.08 MGD	

ANALYSIS:

	Value	Units	Comments
Total Source Capacity	1.08	MGD	Net Interconnections+GW+SW
Total Storage Capacity	6.12	MGD	

Maximum Daily Demand (Section 64554)

Maximum Daily Demand (MDD)	1.97	MGD
	1368	gpm
Is Source Capacity alone>MDD?	NO	
Does Source Capacity meet lowest 10-year MDD?	YES	
Additional source capacity required to meet highest MDD		MGD

Peak Hourly Demand (Section 64554)

PHD	0.12	MG/hr	
4 hours PHD	0.49	MG	
Source Capacity	0.05	MG/hr	
Storage Capacity	0.13	MG/hr	Assume: 50% of storage will be available during PHD
Emergency Connections	-	MG/hr	
Sum of Storage & Sources	0.17	MG/hr	
4 hrs of Storage, & Sources	0.69	MG	
Is Sum of Storage & Sources >PHD?	YES		

Reliability of Source Capacity

Can MDD be met with highest source offline?	NO

Appendix 5

Quarterly Progress Report

APPENDIX 5: QUARTERLY PROGRESS REPORT

Water System: Sheep Creek Water Company	Water System No: 3610109
Compliance Order No: 05_13_18R_002A1	Violation: **Source Capacity**
Calendar Quarter:	Date:

This form should be prepared and signed by System personnel with appropriate authority to implement the directives of the Compliance Order and the Corrective Action Plan. Please attach additional sheets as necessary. The quarterly progress report must be submitted by the 10th day of each subsequent quarter, to the Division of Drinking Water, District 13 Office to the following email address: 464 W 4th Street, Room 437 San Bernardino, CA 92401.

Summary of Compliance Plan:

Tasks completed in the reporting quarter:

Tasks remaining to complete:

Anticipated compliance date:

Printed Name **Signature**

Title **Date**

Appendix 6

Notification of Receipt Form

APPENDIX 6 – NOTIFICATION OF RECEIPT

Compliance Order Number: 05_13_18R_002A1

Name of Water System: Sheep Creek Water Company

System Number: 3610109

Certification

I certify that I am an authorized representative of the Sheep Creek Water Company and that Compliance Order No. 05_13_18R_002A1 was received on _____. Further, I certify that the Order has been reviewed by the appropriate management staff of the Sheep Creek Water Company and it is clearly understood that Compliance Order No. 05_13_18R_002A1 contains legally enforceable directives with specific due dates.

_____ _____

Signature of Water System Representative Date

THIS FORM MUST BE COMPLETED AND RETURNED TO THE STATE WATER BOARD, DIVISION OF DRINKING WATER, NO LATER THAN April 17, 2020

Disclosure: Be advised that the California Health and Safety Code, Sections 116725 and 116730 state that any person who knowingly makes any false statement on any report or document submitted for the purpose of compliance with the Safe Drinking Water Act may be liable for, respectively, a civil penalty not to exceed five thousand dollars ($5,000) for each separate violation or, for continuing violations, for each day that violation continues, or be punished by a fine of not more than $25,000 for each day of violation, or by imprisonment in the county jail not to exceed one year, or by both the fine and imprisonment.

Appendix 7

Compliance Order No. 05_13_18R_002

CALIFORNIA
Water Boards

EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIQUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board
Division of Drinking Water

August 30, 2018

System No. 3610109

Chris Cummings, General Manager
Sheep Creek Water Company
P.O. Box 291820
Phelan, CA 92329

COMPLIANCE ORDER NO.05-13-18R-002
SOURCE CAPACITY VIOLATION

Enclosed is Compliance Order No.05-13-18R-002 (hereinafter "Order"), issued to the Sheep Creek Water Company public water system (hereinafter "System"), public water system. Please note there are legally enforceable deadlines associated with this Order.

The System will be billed at the State Water Resources Control Board's (hereinafter "State Water Board"), hourly rate for the time spent on issuing this Order. California Health and Safety Code (hereinafter "CHSC"), Section 116577, provides that a public water system must reimburse the State Water Board for actual costs incurred by the State Water Board for specified enforcement actions, including but not limited to, preparing, issuing and monitoring compliance with an order. At this time, the State Water Board has spent approximately 2 hour(s) on enforcement activities associated with this violation.

The System will receive a bill sent from the State Water Board in August of the next fiscal year. This bill will contain fees for any enforcement time spent on the System for the current fiscal year.

Any person who is aggrieved by a citation, order or decision issued under authority delegated to an officer or employee of the state board under Article 8 (commencing with CHSC, Section 116625) or Article 9 (commencing with CHSC, Section 116650), of the Safe Drinking Water Act (CHSC, Division 104, Part 12, Chapter 4), may file a petition with the State Water Board for reconsideration of the citation, order or decision. Appendix 1 to the enclosed Citation contains the relevant statutory provisions for filing a petition for reconsideration (CHSC, Section 116701).

Petitions must be received by the State Water Board within 30 days of the issuance of the citation, order or decision by the officer or employee of the state board. The date of issuance is the date when the Division of Drinking Water mails a copy of the citation, order or decision. If the 30th day

falls on a Saturday, Sunday, or state holiday, the petition is due the following business day by 5:00 p.m.

Information regarding filing petitions may be found at:

http://www.waterboards.ca.gov/drinking_water/programs/petitions/index.shtml

If you have any questions regarding this matter, please contact Hector Cazares of my staff at (909) 383-4312 or me at (909) 383-4328.

Sincerely,

Eric J. Zúñiga, P.E.
District Engineer
San Bernardino District
Southern California Field Operations Branch

Enclosures

Certified Mail No. 7017 0660 0001 1704 7559

cc: Joy Chakma, San Bernardino County EHS, via email at Joy.Chakma@dph.sbcounty.gov
Diana Almond, San Bernardino County EHS via email at Diana.Almond@dph.sbcounty.gov

Compliance Order No. 05-13-18R-002

STATE OF CALIFORNIA

STATE WATER RESOURCES CONTROL BOARD

DIVISION OF DRINKING WATER

Name of Public Water System: Sheep Creek Water Company

Water System No: 3610109

Attention: Chris Cummings, General Manager

P.O. Box 291820

Phelan, CA 92329

Issued: August 30, 2018

COMPLIANCE ORDER FOR VIOLATION OF CALIFORNIA HEALTH AND SAFETY CODE SECTION 116555(a)(3) AND CALIFORNIA CODE OF REGULATIONS, TITLE 22, SECTION 64554

SOURCE CAPACITY VIOLATION

2018

The California Health and Safety Code (hereinafter "CHSC"), Section 116655 authorizes the State Water Resources Control Board (hereinafter "State Water Board"), to issue a compliance order to a public water system when the State Water Board determines that the public water system has violated or is violating the California Safe Drinking Water Act (hereinafter "California SDWA"), (CHSC, Division 104, Part 12, Chapter 4,

commencing with Section 116270), or any regulation, standard, permit, or order issued or adopted thereunder.

The State Water Board, acting by and through its Division of Drinking Water (hereinafter "Division"), and the Deputy Director for the Division, hereby issues Compliance Order No.05-13-18R-002 (hereinafter "Order") pursuant to Section 116655 of the CHSC to the Sheep Creek Water Company (hereinafter "System"), for violation of CHSC, Section 116555(a)(3), requiring a reliable and adequate supply of pure, wholesome, healthful, and potable water, and California Code of Regulations (hereinafter "CCR"), Title 22, Section 64554, setting source capacity requirements.

A copy of the applicable statutes and regulations are included in Appendix 1, which is attached hereto and incorporated by reference.

STATEMENT OF FACTS

The System is classified as a community public water system with a population of 3,354 serving 1,183 connections. The System operates under Domestic Water Supply Permit No. 78-007 issued by the State Water Board on February 9, 1978.

The System relies on five (5) groundwater wells: Wells 2A, 3A, 4A, 5, 8 and one (1) tunnel source which is also classified as groundwater. The System submitted production yield records to the Division on August 1, 2018, which demonstrated a significant decrease in the capacity of all sources over the past ten (10) years.

Based on the most recent ten (10) years of production data, the System reported the highest MDD as 2,090,000 gallons per day in 2014. The lowest MDD was reported by the System in 2017 as 1,060,000 gallons per day. In accordance with California Code of Regulations, Title 22, Section 64554(a), a public water system must at all times have

adequate source capacity to meet the highest 10-year MDD, which here would be 2,090,000 gallons from 2014. Using the System's most current production yield records from July 2018, the System is producing a combined source flow of 720,000 gallons per day, and therefore does not meet the maximum day demand (MDD) requirements. Summaries of production data, system demand data, and a source capacity evaluation were used to determine compliance with source capacity requirements and are included in Appendix 4.

A water exchange agreement was signed on July 31, 2018 for an emergency interconnection for the System with Phelan Pinon Hills CSD (hereinafter "CSD"). Because the agreement between the System and the CSD does not specify a minimum flow that will be provided to the System and the water flow is intended to be used for emergencies, the water flow from the interconnection cannot be considered when calculating the System's compliance with source capacity MDD requirements.

On August 22, 2018 the System notified the Division of an impending water production shortage. The System reported that on August 10, 2018 they began to receive water from the CSD through their interconnection. After notifying the Division of the impending water shortage, the System stated that they will continue relying on water purchased from the CSD. The notification sent to the Division has been attached to this Order as Appendix 4.

CHSC, Section 116555(a)(3) requires all public water systems to provide a reliable and adequate supply of pure, wholesome, healthful, and potable water and CCR, Title 22, Section 64554(a) requires that public water systems shall at all times have the capacity to meet the System's maximum day demand (MDD) as established by Section 64554 subsection (b).

DETERMINATION

Based on the above Statement of Facts, the State Water Board has determined that without additional source capacity, the System may not be able to provide an adequate and reliable supply of water to its customers and has failed to comply with requirements from CHSC, Section 116555(a)(3) and CCR, Title 22, Section 64554. The Division has the authority under Sections 116655 (a)(2) and 116655 (b)(4) of the CHSC to take steps necessary to prevent increasing water demands for the System until such time that an adequate and proven source capacity is provided.

DIRECTIVES

To ensure that the water supplied by the System is at all times reliable and adequate, the System is hereby directed to take the following actions:

1. Effective immediately, upon receipt of this Order, the Division imposes a service connection moratorium on the System and directs the System to not make any additional service connections to its water system, including any such service connections for which a "will serve" letter was issued at any time by the System, but for which a building permit was not issued prior to the date of this Order. As used in this Order, "will serve" letter means any form of notice, representation or agreement that the System will supply water to a property, parcel or structure.

2. By **September 20, 2018**, the System must identify any and all properties for which "will serve" letters have been issued, but a service connection has not been made.

3. By **September 20, 2018**, the System must advise the owner(s) of those properties that were issued will serve letters, and all appropriate local planning agencies that the "will serve" letter issued for such property is null and void and may not be relied upon for any purpose.

4. By **September 28, 2018**, the System must provide to the Division the following documents:

   a) Copies of all "will serve" letters issued by the System at any time for which a service connection has not been made, including the address(es) or parcel number(s) of the respective property(ies);
   b) A list of properties that were provided "will serve" letters and have a building permit(s) by the date of this order, including the address(es) or parcel number(s) of the respective property(ies);
   c) a list of the property owners and applicable planning agencies it notified that its "will serve" letters are null and void along with a certification that the required notification was completed by the System; and
   d) a current list of all service connections, including the address of each.

5. On or before **November 20, 2018**, the System must submit to the Division a completed feasibility study that must review the proposed options for meeting the System's water demand requirements. The Study must include consolidation with nearby public water systems as an option. The feasibility study must discuss cost estimates, including the operation and maintenance (O&M) costs, and the potential environmental impacts of each of the options considered. The report should identify a preferred alternative and include discussion on the reliability of the selected preferred alternative, and an explanation for why the other options were rejected.

6. After Division approval of the preferred alternative, prepare for Division approval a Corrective Action Plan, identifying how it will implement the preferred alternative to ensure that the System delivers an adequate and reliable water supply to its consumers and addresses the System's demand requirements. The plan must

include a time schedule for completion of each of the phases of the project, such as design, financing, environmental review, construction, and startup, and a date as of which the System will be in compliance with source capacity requirements, which must be no later than **May 31, 2019**, unless the System is able to demonstrate why a later compliance date is necessary.

7. On or before **December 20, 2018**, submit the Corrective Action Plan required under Directive No. 6 above, to the State Water Board's office located at 464 W. 4th Street, Room 437 San Bernardino, CA 92401.

8. Perform the State Water Board approved Corrective Action Plan, and each and every element of said plan, according to the time schedule set forth therein.

9. On or before **December 20, 2018** and every three months thereafter, submit a report to the State Water Board in the form provided as Appendix 2 showing actions taken during the previous quarter (calendar three months) to comply with the Corrective Action Plan.

10. On or before **September 20, 2018** complete and return to the State Water Board the "Notification of Receipt" form attached to this Order as Appendix 3. Completion of this form confirms that the System has received this Order and understands that it contains legally enforceable directives with due dates.

All submittals required by this Order, with exception of analytical results, must be electronically submitted to the State Water Board at the following address. The subject line for all electronic submittals corresponding to this Order must include the following information: Water System name and number, compliance order number and title of the document being submitted.

Eric J. Zúñiga, District Engineer

Dwpdist13@waterboards.ca.gov

The State Water Board reserves the right to make modifications to this Order as it may deem necessary to protect public health and safety. Such modifications may be issued as amendments to this Order and shall be effective upon issuance.

Nothing in this Order relieves the System of its obligation to meet the requirements of the California SDWA (CHSC, Division 104, Part 12, Chapter 4, commencing with Section 116270), or any regulation, standard, permit or order issued or adopted thereunder.

PARTIES BOUND

This Order shall apply to and be binding upon the System, its owners, shareholders, officers, directors, agents, employees, contractors, successors, and assignees.

SEVERABILITY

The directives of this Order are severable, and the System shall comply with each and every provision thereof notwithstanding the effectiveness of any provision.

FURTHER ENFORCEMENT ACTION

The California SDWA authorizes the State Water Board to issue a citation or order with assessment of administrative penalties to a public water system for violation or continued violation of the requirements of the California SDWA or any regulation, permit, standard, citation, or order issued or adopted thereunder including, but not limited to, failure to correct a violation identified in a citation or compliance order. The California SDWA also authorizes the State Water Board to suspend or revoke a permit that has been issued to a public water system if the public water system has violated applicable law or regulations or has failed to comply with an order of the State Water Board, or to petition

the superior court to take various measures against a public water system that has failed to comply with an order of the State Water Board, including issuance of an injunction to enforce a compliance plan, enjoining further service connections, or any other relief that may be required to ensure compliance with the SDWA and applicable regulations. The State Water Board does not waive any further enforcement action by issuance of this Order.

RIGHT TO PETITION

CHSC section 116701(a) provides that any person aggrieved by this order may, within 30 days of the date of this order, petition the State Board for reconsideration. See Appendix 1 for section 116701(b), which sets out the requirements for a petition.

Sean F. McCarthy, P.E.

August 30, 2018
Date

Chief, South Coast Section

Southern California Field Operations Branch

Appendices [5]:

1. Applicable Statutes and Regulations
2. Quarterly Progress Report
3. Source Capacity Evaluation
4. Notification of impending water shortage from System to Division
5. Notification of Receipt Form

Certified Mail No. 7017 0660 0001 1704 7559

Appendix 1

APPENDIX 1. APPLICABLE STATUTES AND REGULATIONS FOR Compliance Order No.05-13-18R-002 Source Capacity Violation

NOTE: The following language is provided for the convenience of the recipient, and cannot be relied upon as the State of California's representation of the law. The published codes are the only official representation of the law. Regulations related to drinking water are in Titles 22 and 17 of the California Code of Regulations. Statutes related to drinking water are in the Health & Safety Code, the Water Code, and other codes.

California Health and Safety Code (CHSC):

Section 116271. Transition of CDPH duties to State Board states in relevant part:

(a) The state board succeeds to and is vested with all of the authority, duties, powers, purposes, functions, responsibilities, and jurisdiction of the State Department of Public Health, its predecessors, and its director for purposes of all of the following:

(1) The Environmental Laboratory Accreditation Act (Article 3 (commencing with Section 100825) of Chapter 4 of Part 1 of Division 101).

(2) Article 3 (commencing with Section 106875) of Chapter 4 of Part 1.

(3) Article 1 (commencing with Section 115825) of Chapter 5 of Part 10.

(4) This chapter and the Safe Drinking Water State Revolving Fund Law of 1997 (Chapter 4.5 (commencing with Section 116760)).

(5) Article 2 (commencing with Section 116800), Article 3 (commencing with Section 116825), and Article 4 (commencing with Section 116875) of Chapter 5.

(6) Chapter 7 (commencing with Section 116975).

(7) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Division 43 (commencing with Section 75001) of the Public Resources Code).

(8) The Water Recycling Law (Chapter 7 (commencing with Section 13500) of Division 7 of the Water Code).

(9) Chapter 7.3 (commencing with Section 13560) of Division 7 of the Water Code.

(10) The California Safe Drinking Water Bond Law of 1976 (Chapter 10.5 (commencing with Section 13850) of Division 7 of the Water Code).

(11) Wholesale Regional Water System Security and Reliability Act (Division 20.5 (commencing with Section 73500) of the Water Code).

(12) Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Division 26.5 (commencing with Section 79500) of the Water Code).

(b) The state board shall maintain a drinking water program and carry out the duties, responsibilities, and functions described in this section. Statutory reference to "department," "state department," or "director" regarding a function transferred to the state board shall refer to the state board. This section does not impair the authority of a local health officer to enforce this chapter or a county's election not to enforce this chapter, as provided in Section 116500...

(k)

(1) The state board shall appoint a deputy director who reports to the executive director to oversee the issuance and enforcement of public water system permits and other duties as appropriate. The deputy director shall have public health expertise.

(2) The deputy director is delegated the state board's authority to provide notice, approve notice content, approve emergency notification plans, and take other action pursuant to Article 5 (commencing with Section 116450), to issue, renew, reissue, revise, amend, or deny any public water system permits pursuant to Article 7 (commencing with Section 116525), to suspend or revoke any public water system permit pursuant to Article 8 (commencing with Section 116625), and to issue citations, assess penalties, or issue orders pursuant to Article 9 (commencing with Section 116650). Decisions and actions of the deputy director taken pursuant to Article 5 (commencing with Section 116450) or Article 7 (commencing with Section 116525) are deemed decisions and actions taken by the state board, but are not subject to reconsideration by the state board except as provided in Section 116540. Decisions and actions of the deputy director taken pursuant to Article 8 (commencing with Section 116625) and Article 9 (commencing with Section 116650) are deemed decisions and actions taken by the state board, but any aggrieved person may petition the state board for reconsideration of the decision or action. This subdivision is not a limitation on the state board's authority to delegate any other powers and duties.

Section 116555. Operational requirements states in relevant part:

(a) Any person who owns a public water system shall ensure that the system does all of the following:

(1) Complies with primary and secondary drinking water standards.

(2) Will not be subject to backflow under normal operating conditions.

(3) Provides a reliable and adequate supply of pure, wholesome, healthful, and potable water.

Section 116577. Enforcement fee states:

(a) Each public water system shall reimburse the state board for actual costs incurred by the state board for any of the following enforcement activities related to that water system:

(1) Preparing, issuing, and monitoring compliance with, an order or a citation.

(2) Preparing and issuing public notification.

(3) Conducting a hearing pursuant to Section 116625.

(b) The state board shall submit an invoice for these enforcement costs to the public water system that requires payment before September 1 of the fiscal year following the fiscal year in which the costs were incurred. The invoice shall indicate the total hours expended, the reasons for the expenditure, and the hourly cost rate of the state board. The costs set forth in the invoice shall not exceed the total actual costs to the state board of enforcement activities specified in this section.

(c) Notwithstanding the reimbursement of enforcement costs of the local primacy agency pursuant to subdivision (a) of Section 116595 by a public water system under the jurisdiction of the local primacy agency, a public water system shall also reimburse enforcement costs, if any, incurred by the state board pursuant to this section.

(d) "Enforcement costs," as used in this section, does not include "litigation costs" pursuant to Section 116585.

(e) The state board shall not be entitled to enforcement costs pursuant to this section if a court determines that enforcement activities were in error.

(f) Payment of the invoice shall be made within 90 days of the date of the invoice. Failure to pay the invoice within 90 days shall result in a 10-percent late penalty that shall be paid in addition to the invoiced amount.

(g) The state board may, at its sole discretion, waive payment by a public water system of all or any part of the invoice or penalty.

Section 116625. Revocation and suspension of permits states:

(a) The state board, after providing notice to the permittee and opportunity for a hearing, may suspend or revoke any permit issued pursuant to this chapter if the state board determines pursuant to the hearing that the permittee is not complying with the permit, this chapter, or any regulation, standard, or order issued or adopted thereunder, or that the permittee has made a false statement or representation on any application, record, or report maintained or submitted for purposes of compliance with this chapter. If the permittee does not request a hearing within the period specified in the notice, the state board may suspend or revoke the permit without a hearing. If the permittee submits a timely request for a hearing, the hearing shall be before the state board or a member of the state board, in accordance with Section 183 of the Water Code and the rules for adjudicative proceedings adopted under Section 185 of the Water Code. If the permit at issue has been temporarily suspended pursuant to subdivision (b), the notice shall be provided within 15 days of the effective date of the temporary suspension order. The commencement of the hearing under this subdivision shall be as soon as practicable, but no later than 60 days after the effective date of the temporary suspension order, unless the state board grants an extension of the 60 day period upon request of the permittee.

(b) The state board may temporarily suspend any permit issued pursuant to this chapter before any hearing when the action is necessary to prevent an imminent or substantial danger to health. The state board shall notify the permittee of the temporary suspension and the effective date of the temporary suspension and, at the same time, notify the permittee that a hearing has been scheduled. The hearing shall be held as soon as possible, but not later than 15 days after the effective date of the temporary suspension unless the state board grants an extension of the 15 day period upon request of the permittee, and shall deal only with the issue of whether the temporary suspension shall remain in place pending a hearing under subdivision (a). The hearing shall be conducted under the rules for adjudicative proceedings adopted by the state board under Section 185 of the Water Code. The temporary suspension shall remain in effect until the hearing under this subdivision is completed and the state board has made a final determination on the temporary suspension, which shall be made within 15 days after the completion of the hearing unless the state board grants an extension of the 15 day period upon request of the permittee. If the determination is not transmitted within 15 days after the hearing is completed, or any extension of this period requested by the permittee, the temporary suspension shall be of no further effect. Dissolution of the temporary suspension does not deprive the state board of jurisdiction to proceed with a hearing on the merits under subdivision (a).

Section 116650. Citations states:

(a) If the state board determines that a public water system is in violation of this chapter or any regulation, permit, standard, citation, or order issued or adopted thereunder, the state board may issue a citation to the public water system. The citation shall be served upon the public water system personally or by certified mail. Service shall be deemed effective as of the date of personal service or the date of receipt of the certified mail. If a person to whom a citation is directed refuses to accept delivery of the certified mail, the date of service shall be deemed to be the date of mailing.

(b) Each citation shall be in writing and shall describe the nature of the violation or violations, including a reference to the statutory provision, standard, order, citation, permit, or regulation alleged to have been violated.

(c) A citation may specify a date for elimination or correction of the condition constituting the violation.

(d) A citation may include the assessment of a penalty as specified in subdivision (e).

(e) The state board may assess a penalty in an amount not to exceed one thousand dollars ($1,000) per day for each day that a violation occurred, and for each day that a violation continues to occur. A separate penalty may be assessed for each violation and shall be in addition to any liability or penalty imposed under any other law.

Section 116655. Orders states:

(a) Whenever the state board determines that any person has violated or is violating this chapter, or any order, permit, regulation, or standard issued or adopted pursuant to this chapter, the state board may issue an order doing any of the following:
(1) Directing compliance forthwith.
(2) Directing compliance in accordance with a time schedule set by the state board.
(3) Directing that appropriate preventive action be taken in the case of a threatened violation.

(b) An order issued pursuant to this section may include, but shall not be limited to, any or all of the following requirements:
(1) That the existing plant, works, or system be repaired, altered, or added to.
(2) That purification or treatment works be installed.
(3) That the source of the water supply be changed.
(4) That no additional service connection be made to the system.
(5) That the water supply, the plant, or the system be monitored.
(6) That a report on the condition and operation of the plant, works, system, or water supply be submitted to the state board.

Section 116701. Petitions to Orders and Decisions states:

(a)

(1) Within 30 days of issuance of an order or decision under authority delegated to an officer or employee of the state board under Article 8 (commencing with Section 116625) or Article 9 (commencing with Section 116650), an aggrieved person may petition the state board for reconsideration.

(2) Within 30 days of issuance of an order or decision under authority delegated to an officer or employee of the state board under Section 116540, the applicant may petition the state board for reconsideration.

(3) Within 30 days of final action by an officer or employee of the state board acting under delegated authority, the owner of a laboratory that was the subject of the final action may petition the state board for reconsideration of any of the following actions:
(A) Denial of an application for certification or accreditation under Section 100855.
(B) Issuance of an order directing compliance under Section 100875.
(C) Issuance of a citation under Section 100880.
(D) Assessment of a penalty under subdivision (e) of Section 100880.

(b) The petition shall include the name and address of the petitioner, a copy of the order or decision for which the petitioner seeks reconsideration, identification of the reason the petitioner alleges the issuance of the order was inappropriate or improper, the specific action the petitioner requests, and other information as the state board may prescribe. The petition shall be accompanied by a statement of points and authorities of the legal issues raised by the petition.

(c) The evidence before the state board shall consist of the record before the officer or employee who issued the order or decision and any other relevant evidence that, in the judgment of the state board, should be considered to implement the policies of this chapter. The state board may, in its discretion, hold a hearing for receipt of additional evidence.

(d) The state board may refuse to reconsider the order or decision if the petition fails to raise substantial issues that are appropriate for review, may deny the petition upon a determination that the issuance of the order or decision was appropriate and proper, may set aside or modify the order or decision, or take other appropriate action. The state board's action pursuant to this subdivision shall constitute the state board's completion of its reconsideration.

(e) The state board, upon notice and hearing, if a hearing is held, may stay in whole or in part the effect of the order or decision subject to the petition for reconsideration.

(f) If an order or decision is subject to reconsideration under this section, the filing of a petition for reconsideration is an administrative remedy that must be exhausted before filing a petition for writ of mandate under Section 100920.5 or 116700.

California Code of Regulations (CCR), Title 22:

Section 64554 New and Existing Source Capacity states:

(a) At all times, a public water system's water source(s) shall have the capacity to meet the system's maximum day demand (MDD). MDD shall be determined pursuant to subsection (b).

(1) For systems with 1,000 or more service connections, the system shall be able to meet four hours of peak hourly demand (PHD) with source capacity, storage capacity, and/or emergency source connections.

(2) For systems with less than 1,000 service connections, the system shall have storage capacity equal to or greater than MDD, unless the system can demonstrate that it has an additional source of supply or has an emergency source connection that can meet the MDD requirement.

(3) Both the MDD and PHD requirements shall be met in the system as a whole and in each individual pressure zone.

(b) A system shall estimate MDD and PHD for the water system as a whole (total source capacity and number of service connections) and for each pressure zone within the system (total water supply available from the water sources and interzonal transfers directly supplying the zone and number of service connections within the zone), as follows:

(1) If daily water usage data are available, identify the day with the highest usage during the past ten years to obtain MDD; determine the average hourly flow during MDD and multiply by a peaking factor of at least 1.5 to obtain the PHD.

(2) If no daily water usage data are available and monthly water usage data are available:

(A) Identify the month with the highest water usage (maximum month) during at least the most recent ten years of operation or, if the system has been operating for less than ten years, during its period of operation;

(B) To calculate average daily usage during maximum month, divide the total water usage during the maximum month by the number of days in that month; and

(C) To calculate the MDD, multiply the average daily usage by a peaking factor that is a minimum of 1.5; and

(D) To calculate the PHD, determine the average hourly flow during MDD and multiply by a peaking factor that is a minimum of 1.5.

(3) If only annual water usage data are available:

(A) Identify the year with the highest water usage during at least the most recent ten years of operation or, if the system has been operating for less than ten years,during its years of operation;

(B) To calculate the average daily use, divide the total annual water usage for the year with the highest use by 365 days; and

(C) To calculate the MDD, multiply the average daily usage by a peaking factor of 2.25.

(D) To calculate the PHD, determine the average hourly flow during MDD and multiply by a peaking factor that is a minimum of 1.5.

(4) If no water usage data are available, utilize records from a system that is similar in size, elevation, climate, demography, residential property size, and metering to determine the average water usage per service connection. From the average water usage per service connection, calculate the average daily.

Appendix 2

APPENDIX 2: QUARTERLY PROGRESS REPORT

Water System: Sheep Creek Water Company	Water System No: 3610109
Compliance Order No: 05-13-18R-002	Violation: **Source Capacity**
Calendar Quarter:	Date:

This form should be prepared and signed by System personnel with appropriate authority to implement the directives of the Compliance Order and the Corrective Action Plan. Please attach additional sheets as necessary. The quarterly progress report must be submitted by the 10th day of each subsequent quarter, to the Division of Drinking Water, District 13 Office to the following email address: 464 W 4th Street, Room 437 San Bernardino, CA 92401.

Summary of Compliance Plan:

Tasks completed in the reporting quarter:

Tasks remaining to complete:

Anticipated compliance date:

Printed Name **Signature**

Title **Date**

Appendix 3

Sheep Creek Water Company

(System No. 3610109)

Production and Source Capacity Records

January 2012- July 2018

10-year (2008 to 2017) MDD Source Capacity Evaluation for Sheep Creek Water Company (3610109)

	Parameter:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Production	Max Day (MG)	n/a	1.83	1.68	1.9	1.78	1.76	2.09	1.14	1.54	1.06
	Date	*Not*	*Aug-12th*	*Jul-25th*	*Jun-6th*	*Aug-26th*	*Jul-13th*	*Jul-4th*	*Aug-8th*	*June-30th*	*June-30th*
	Max Month (MG)	*Reported*	36.35		35.05	39.15	38.96	39.81	29.49	35.7	25.49
	Date		*Aug.*	*July*	*July*	*August*	*July*	*July*	*August*	*August*	*August*
	Annual (MG)		279.21	264.84	270.34	304.3	333.38	330.16	260.24	252.51	223.5
Purchased	Max Day (MG)	n/a	0	0	0	0	0	0	0	0	0
	Date	*Not*	-	-	-	-	-	-	-	-	-
	Max Month (MG)	*Reported*	0	0	0	0	0.08	0	0	4.06	0
	Date		-	-	-	-	-	-	-	-	-
	Annual (MG)		0	0	0	0	0.08	0	0	4.64	0
Sold	Max Day (MG)	n/a	0.6	0	0	0	0	0	0	0	0
	Date	*Not*	*Aug-11th*	-	-	-	-	-	-	-	-
	Max Month (MG)	*Reported*	2.6	0	0	0	0.92	0	0.25	0	0
	Date		*August*	-	-	-	*June*	-	-	-	-
	Annual (MG)		2.6	0	0	0	0.92	0	0.41	0	0
Daily Basis	Max Day Demand (MDD)	n/a	1.23	1.68	1.9	1.78	1.76	2.09	1.14	1.54	1.06
	Avg. Hr Flow		0.05	0.07	0.08	0.07	0.07	0.09	0.05	0.06	0.04
	PHD = Avg. Hr x 1.5		0.08	0.11	0.12	0.11	0.11	0.13	0.07	0.10	0.07
Yearly Basis	Annual Demand	n/a	276.61	264.84	270.34	304.3	332.54	330.16	259.83	257.15	223.5
	Avg. Daily Usage		0.76	0.73	0.74	0.83	0.91	0.90	0.71	0.70	0.61
	MDD = Avg. Daily*2.25(MDD)		1.71	1.63	1.67	1.88	2.05	2.04	1.60	1.59	1.38
	Peak Hourly Demand (PHD)		0.11	0.10	0.10	0.12	0.13	0.13	0.10	0.10	0.09

DEMAND:

Maximum Day Demand (MDD) **2.09** MG — Production+Purchased-Sold= Demand Based on Year Basis

Lowest 10-year MDD: 1.06 MG

PRODUCTION:

Source	Capacity (gpm)	Comments
Well 2A	30	Based on July 2018 production records
Well 3A	25	
Well 4A	60	
Well 5	124	
Well 8	141	
Tunnel	122	
Active Interconnections		
None		
Emergency Interconnections		
Phelan Pinon Hills CSD (3610120)		excluded from calculations, not permitted as a permanent interconnection
Surface Water		
None		
Production Summary		
Sources	502	
Interconne	0	
Total	502 gpm	
	0.72 MGD	

ANALYSIS:

	Value	Units	Comments
Total Source Capacity	**0.72**	MGD	Net Interconnections+GW+SW
Total Storage Capacity	**6.12**	MGD	

Maximum Daily Demand (Section 64554)

Maximum Daily Demand (MDD)	**2.09**	MGD
	1451	gpm
Is Source Capacity alone>MDD?	**NO**	
Does Source Capacity meet lowest 10-year MDD?	**NO**	

Peak Hourly Demand (Section 64554)

PHD	0.13	MG/hr	
4 hours PHD	0.52	MG	
Source Capacity	0.03	MG/hr	
Storage Capacity	0.13	MG/hr	Assume: 50% of storage will be available during PHD
Emergency Connections	-	MG/hr	
Sum of Storage & Sources	0.16	MG/hr	
4 hrs of Storage, & Sources	0.63	MG	
Is Sum of Storage & Sources >PHD?	YES		

Reliability of Source Capacity

Can MDD be met with highest source offline?	NO

AVERAGE GALLONS PER MINUTE
7 YEAR RECAP

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
2018	-40%	-27%	-16%	-12%	-20%	-42%	-57%	-100%	-100%	-100%	-100%	-100%	Compare 2017
Tunnel	131	129	127	125	125	124	122						
Well # 2A	0	150	175	135	125	55	30						
Well # 3A	115	211	122	195	166	33	25						
Well # 4A	199	213	251	194	156	99	60						
Well # 5	285	289	297	279	269	278	124						
Well # 8	320	325	337	317	284	205	141						
TOTAL G	1,051	1,317	1,309	1,245	1,125	794	502	0	0	0	0	0	
2017	-35%	-40%	-43%	-48%	-45%	-11%	66%	58%	17%	6%	-28%	-37%	
Tunnel	147	145	147	148	147	147	143	140	137	136	136	134	
Well # 2A	214	274	0	0	0	50	50	50	107	107	0	0	Well Pulled 11-17
Well # 3A	330	330	345	295	301	280	180	143	115	115	115	115	
Well # 4A	370	333	333	253	253	200	200	144	115	130	154	184	
Well # 5	353	372	372	355	353	353	280	257	238	244	258	275	
Well # 8	333	361	367	358	350	342	310	278	258	266	288	308	
TOTAL G	1,747	1,815	1,564	1,409	1,404	1,372	1,163	1,012	968	998	951	1,016	
2016													
Tunnel	184	182	177	176	170	168	165	162	159	157	154	150	
Well # 2A	381	500	559	534	468	213	44	38	38	45	111	167	
Well # 3A	537	646	530	635	610	225	28	31	90	114	183	286	
Well # 4A	659	729	556	478	439	193	94	52	132	157	267	333	
Well # 5	461	488	483	471	438	381	120	163	192	218	305	353	
Well # 8	458	476	438	433	444	365	248	194	217	254	297	326	
TOTAL G	2,680	3,001	2,723	2,727	2,569	1,545	699	640	828	945	1,317	1,615	
2015													
Tunnel	256	253	248	203	203	214	210	204	201	198	193	189	
Well # 2A	0	749	625	573	533	537	524	491	418	417	439	479	
Well # 3A	693	680	678	705	652	641	631	613	591	585	594	583	
Well # 4A	883	905	818	759	881	697	697	639	625	625	625	875	
Well # 5	551	551	547	537	513	497	488	471	451	452	459	460	
Well # 8	463	454	465	460	444	467	467	333	381	361	333	405	
TOTAL G	2,846	3,592	3,381	3,237	3,226	3,053	3,017	2,751	2,647	2,637	2,643	2,991	
2014													
Tunnel	303	299	294	291	287	283	279	276	273	268	265	260	
Well # 2A	1,156	1,156	1,156	1,148	1,015	985	888	733	688	630	0	0	Nov- Pump Pulled
Well # 3A	617	617	617	641	706	685	664	652	619	637	657	679	
Well # 4A	883	883	898	919	882	851	772	903	667	667	760	760	
Well # 5	317	317	326	326	259	259	258	310	301	306	0	0	Oct- Pump Pulled
Well # 8	505	506	499	496	485	471	450	463	406	459	438	438	
TOTAL G	3,781	3,778	3,790	3,821	3,634	3,534	3,309	3,337	2,954	2,967	2,120	2,137	
2013													
Tunnel	370	363	356	350	344	339	332	329	323	318	315	306	
Well # 2A	1,264	1,291	1,289	1,275	1,256	1,230	1,203	1,186	1,186	1,156	1,156	1,156	
Well # 3A	889	889	889	889	730	717	702	694	694	636	636	636	
Well # 4A	917	917	917	917	917	917	675	887	881	887	898	898	
Well # 5	333	333	333	333	333	318	314	311	320	313	313	313	
Well # 8	529	540	534	534	534	534	485	478	474	475	475	503	
TOTAL G	4,302	4,333	4,318	4,298	4,114	4,055	3,911	3,885	3,878	3,785	3,793	3,812	
2012													
Tunnel	304	310	319	329	352	355	403	411	415	404	396	384	
Well # 2A	0	0	0	0	0	0	0	0	1,224	1,175	1,265	1,271	
Well # 3A	711	721	722	725	707	680	683	679	679	679	679	679	
Well # 4A	818	818	818	881	878	846	838	829	829	829	829	829	
Well # 5	197	197	197	222	222	222	267	300	319	325	325	325	
Well # 8	491	491	491	500	511	503	489	468	468	468	468	468	
TOTAL G	2,521	2,537	2,547	2,657	2,670	2,606	2,680	2,687	3,934	3,880	3,962	3,956	

PRODUCTION 5 - YEAR RECAP

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	TOTAL	TOTAL	
2018	3%	0%	-32%	-6%	-27%	-41%	-36%									Reduction compared to 2016
	-27%	-20%	-41%	-25%	-41%	-45%	-48%						GALLS	CU FT	A F	Reduction compared to 2013
Tunnel	5,879,088	5,204,908	5,674,190	5,428,987	5,583,000	5,362,000	5,450,000						38,582,174	5,158,045	118.39	
Well # 2A	0	0	238,000	1,682,000	17,000	184,000	2,142,000						4,263,000	569,920	13.08	
Well # 3A	0	0	11,000	157,000	1,147,000	685,000	10,000						1,990,000	266,043	6.11	
Well # 4A	123,000	157,000	255,000	1,458,000	2,316,000	74,000	73,000						4,456,000	595,722	13.67	
Well # 5	3,558,000	4,031,000	3,129,000	5,516,000	6,216,000	8,424,000	6,448,000						37,325,000	4,989,973	114.53	
Well # 8	3,971,000	4,511,000	3,531,000	5,312,000	3,988,000	6,487,000	6,279,000						34,057,000	4,553,075	104.50	
PPHCSD	0	0	0	0	0	0	0						0	0	0.00	
TOTAL G	13,532,088	13,903,909	12,838,190	19,555,987	19,245,000	21,196,000	20,402,906	0	0	0	0	0	120,673,174	16,132,777	370.28	
TOTAL CF	1,809,103	1,858,811	1,716,336	2,614,437	2,572,861	2,833,690	2,727,540	0	0	0	0	0		Total Reduction= 3%		
TOTAL AF	41.52	42.66	39.39	60.01	59.05	65.04	62.60	0.00	0.00	0.00	0.00	0.00	120.67			
2017	-18%	-15%	-16%	-11%	-17%	-37%	-20%	-14%	0%	9%	5%	19%				Reduction compared to 2016
	-40%	-32%	-38%	-31%	-33%	-41%	-35%	-36%	-34%	-31%	-22%	-6%	GALLS	CU FT	A F	Reduction compared to 2013
Tunnel	6,570,115	5,880,915	6,580,203	6,468,984	6,579,043	6,284,000	6,397,805	6,256,850	5,989,882	6,108,091	5,885,005	5,980,779	74,930,772	10,017,483	229.92	
Well # 2A	18,000	23,000	0	0	19,000	168,000	38,000	10,000	9,000	8,000	0	0	291,000	38,904	0.89	
Well # 3A	3,727,000	5,788,000	7,405,000	6,194,000	6,008,000	5,728,000	4,984,000	2,496,000	2,485,000	282,000	0	0	45,073,000	6,025,802	138.30	
Well # 4A	439,000	45,000	0	279,000	37,000	47,000	403,000	1,203,000	9,000	2,397,000	2,081,000	864,000	7,804,000	1,043,316	23.95	
Well # 5	62,000	29,000	0	100,000	2,687,000	4,115,000	6,412,000	7,334,000	6,533,000	5,162,000	3,992,000	4,054,000	40,500,000	5,414,439	124.27	
Well # 8	28,000	28,000	1,692,000	5,444,000	6,327,000	6,284,000	7,282,000	7,135,000	6,590,000	5,498,000	4,341,000	4,521,000	55,168,000	7,375,401	169.28	
PPHCSD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
TOTAL G	10,844,115	11,769,915	15,887,203	18,485,984	21,656,043	22,826,000	25,494,805	24,433,850	21,615,882	19,475,091	16,279,005	15,399,779	223,766,772	29,915,344	686.61	
TOTAL CF	1,449,748	1,573,518	2,087,220	2,471,388	2,895,059	3,024,866	3,408,306	3,368,557	2,889,837	2,603,622	2,176,338	2,058,794		Total Reduction= -32%		
TOTAL AF	33.27	36.12	48.14	56.72	66.45	69.43	78.23	74.97	66.33	59.76	49.95	47.25	223.77			
2016	-27%	-20%	-26%	-22%	-19%	-7%	-18%	-26%	-34%	-37%	-26%	-21%	GALLS	CU FT	A F	Reduction compared to 2013
Tunnel	8,211,082	7,588,087	7,907,083	7,593,998	7,581,925	7,281,013	7,365,800	7,221,859	6,873,984	6,987,945	6,655,003	6,717,874	87,986,434	11,762,892	269.98	
Well # 2A	18,000	27,000	3,393,000	4,281,000	6,731,000	3,365,000	3,088,000	124,000	0	3,000	6,000	1,000	21,013,000	2,809,225	64.48	
Well # 3A	29,000	31,000	35,000	1,662,000	4,498,000	10,091,000	4,110,000	1,218,000	101,000	13,000	11,000	12,000	21,841,000	2,919,920	67.02	
Well # 4A	48,000	35,000	30,000	43,000	29,000	2,632,000	3,058,000	1,504,000	220,000	17,000	16,000	18,000	7,848,000	1,062,567	24.39	
Well # 5	4,631,000	6,174,000	7,368,000	7,135,000	7,324,000	6,861,000	6,024,000	6,451,000	6,668,000	5,803,000	4,457,000	3,294,000	74,390,000	9,945,187	228.26	
Well # 8	22,000	20,000	21,000	26,000	32,000	5,286,000	6,395,000	7,663,000	7,231,000	5,121,000	4,332,000	2,915,000	39,364,000	5,262,567	120.79	
PPHCSD	0	0	0	0	0	0	0	4,050,000	587,000	0	0	0	4,647,000	621,257	14.26	
TOTAL G	13,157,082	13,886,067	18,754,083	20,770,998	26,205,925	35,796,013	32,016,600	28,541,859	21,680,984	17,944,946	15,477,003	12,957,874	257,189,434	34,383,614	789.17	
TOTAL CF	1,758,998	1,856,426	2,507,230	2,776,871	3,503,488	4,785,563	4,280,294	3,815,757	2,898,527	2,389,057	2,089,118	1,732,338		Total Reduction= -23%		
TOTAL AF	40.37	42.61	57.55	63.73	80.41	109.84	98.24	87.58	66.53	55.06	47.49	39.76	257.19			
2015	-9%	-11%	-16%	-13%	-24%	-32%	-35%	-23%	-17%	-24%	-23%	-12%	GALLS	CU FT	A F	Reduction compared to 2013
Tunnel	11,454,624	10,238,038	11,083,219	8,772,192	9,099,884	9,244,000	9,410,112	9,106,560	8,674,580	8,788,189	8,335,672	8,424,907	112,610,937	15,054,938	345.54	
Well # 2A	0	346,000	2,603,000	5,582,000	5,732,000	6,307,000	5,680,000	7,461,000	6,318,000	4,528,000	1,134,000	451,000	46,152,000	6,170,053	141.61	
Well # 3A	4,305,000	261,000	614,000	833,000	1,922,000	3,833,000	2,845,000	5,311,000	4,918,000	1,695,000	410,000	28,000	26,975,000	3,606,283	82.77	
Well # 4A	0	38,000	54,000	41,000	74,000	46,000	0	23,000	30,000	35,000	35,000	42,000	418,000	55,882	1.28	
Well # 5	545,000	4,458,000	6,169,000	8,059,000	7,494,000	6,712,000	7,219,000	7,590,000	7,245,000	6,589,000	6,012,000	5,418,000	73,610,000	9,840,909	225.87	
Well # 8	197,300	38,100	136,700	22,100	40,000	28,000	0	6,000	13,000	13,000	12,000	17,000	523,200	69,947	1.61	
Well #	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
TOTAL G	16,501,924	15,377,138	20,659,919	23,319,292	24,381,884	28,170,800	25,154,112	29,497,560	27,198,560	21,728,189	15,938,872	14,380,907	260,289,137	34,798,013	798.68	
TOTAL CF	2,205,140	2,055,787	2,762,021	3,117,552	3,256,934	3,488,770	3,362,848	3,943,524	3,636,171	2,904,838	2,130,885	1,922,581	duction= -20%			
TOTAL AF	50.83	47.18	63.39	71.55	74.75	80.30	77.18	90.51	83.48	66.67	48.91	44.13	260.29			
2014													GALLS	CU FT	A F	
Tunnel	13,525,027	12,058,099	13,130,858	12,582,000	12,798,000	12,226,898	12,471,077	12,305,018	11,772,884	11,942,988	11,457,008	11,583,901	147,873,730	19,769,215	453.74	
Well # 2A	39,000	0	0	124,000	6,518,000	10,510,000	13,486,000	10,647,000	1,782,000	143,000	0	0	43,259,000	5,783,289	132.74	
Well # 3A	37,000	0	0	50,000	9,769,000	10,895,000	11,019,000	10,688,000	8,318,000	9,049,000	8,959,000	3,493,000	70,277,000	9,395,321	215.64	
Well # 4A	53,000	0	2,521,000	6,205,000	1,618,000	1,185,000	1,441,000	1,057,000	8,672,000	1,192,000	0	0	24,245,000	3,241,310	74.39	
Well # 5	154,000	0	1,283,000	22,000	28,000	0	31,000	105,000	1,301,000	2,124,000	310,000	0	5,358,000	717,781	16.47	
Well # 8	4,820,900	5,362,900	4,750,000	7,081,200	1,936,100	819,200	1,412,500	809,000	3,197,300	2,819,800	1,171,000	0	34,019,900	4,548,115	104.39	
Well #	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
TOTAL G	18,628,927	17,420,999	21,734,856	26,064,200	32,668,100	35,836,098	39,860,577	35,412,016	33,353,164	27,270,786	21,907,008	15,086,901	325,043,630	43,455,031	997.37	
TOTAL CF	2,490,498	2,329,011	2,905,729	3,484,518	4,367,385	4,794,184	5,328,954	4,734,227	4,458,979	3,645,827	2,928,744	2,016,985				
TOTAL AF	57.18	53.46	66.69	79.98	100.24	109.35	122.31	108.66	102.34	83.68	67.22	46.29	325.04			
2013													GALLS	CU FT	A F	
Tunnel	16,543,584	14,634,950	15,880,947	15,116,112	15,385,088	14,663,808	14,853,087	14,683,882	13,984,832	14,298,912	13,624,848	13,682,072	177,212,102	23,691,457	543.76	
Well # 2A	91,000	1,100,000	8,558,000	11,600,000	16,524,000	19,837,000	19,240,000	16,880,000	0	552,000	0	0	94,260,000	12,601,604	289.23	
Well # 3A	16,000	0	0	0	358,000	3,719,000	4,123,000	3,537,000	0	42,000	0	0	11,805,000	1,578,209	36.22	
Well # 4A	33,000	0	0	0	0	0	42,000	1,900,000	12,818,000	11,058,000	7,198,000	442,000	33,492,000	4,477,540	102.77	
Well # 5	8,000	0	0	0	0	412,000	501,000	347,000	637,000	199,000	0	0	2,104,000	281,283	6.46	
Well # 8	1,400,300	1,522,000	782,200	0	0	0	223,000	1,023,500	5,203,800	2,260,800	0	2,265,100	14,680,700	1,962,660	45.05	
Well #	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
TOTAL G	18,091,884	17,256,950	25,229,147	26,716,112	32,267,088	38,431,808	38,982,087	38,351,382	32,623,632	28,421,712	20,822,848	16,389,172	333,553,802	44,592,754	1023.49	
TOTAL CF	2,418,701	2,307,079	3,372,881	3,571,673	4,312,445	5,137,942	5,211,508	5,127,190	4,361,448	3,799,694	2,783,603	2,188,392				
TOTAL AF	55.51	52.95	77.41	81.98	98.98	117.93	119.61	117.68	100.16	87.21	63.89	50.23	333.55			

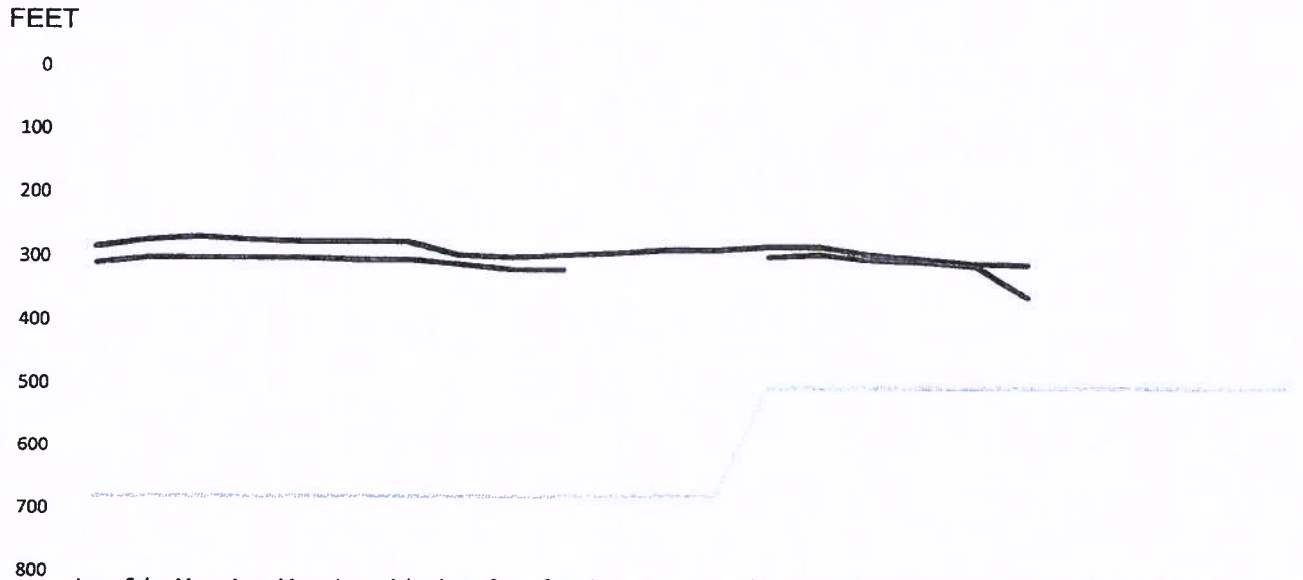
Population 3361

CONSUMPTION 10-YEAR

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
2018	14%	43%	-17%	-12%	-9%	-42%	-24%	-100%	-100%	-100%	-100%	-100%		Reduction with 2016
	-15%	-7%	-37%	-41%	-40%	-35%	-40%	-100%	-100%	-100%	-100%	-100%		Reduction with 2013
Cons'n CCF	15,360	14,481	12,701	18,206	22,082	24,730	27,000							
Cons'n GPM	257	268	213	315	370	428	452	0	0	0	0	0	192	
Cons'n A.F	35.262	33.198	29.157	41.796	50.692	56.772	61.983	0.000	0.000	0.000	0.000	0.000	0.000	
Ave GPDPP	110.27104	110.97826	91.182041	130.70548	158.52588	183.4577	193.83409	0	0	0	0	0	978.954	
2017	-18%	-41%	-27%	-9%	-17%	-39%	-27%	-15%	-16%	11%	2%	19%	-15%	Reduction with 2016
	-38%	-35%	-24%	-33%	-34%	-33%	-42%	-30%	-40%	-29%	3%	-3%	-28%	Reduction with 2013
Cons'n CCF	11,121	10,088	15,275	20,758	24,151	25,786	26,112	30,311	22,165	21,963	19,912	15,588	243,231	
Cons'n GPM	186	187	256	359	405	446	438	508	384	368	345	261	345	
Cons'n A.F	25.531	23.159	35.068	47.653	55.443	59.196	59.945	69.585	50.885	50.420	45.713	35.785	558.381	
Ave GPDPP	79.84039	72.423639	109.66031	149.02165	173.384	185.11993	187.46068	217.60869	159.1277	157.67493	142.95342	111.90702	145.515	
2016	-25%	10%	3%	-26%	-21%	11%	-21%	-17%	-28%	-35%	0%	-19%	-16%	Reduction
Cons'n CCF	13,498	17,144	20,915	22,752	29,188	42,373	35,594	35,657	26,381	19,859	19,429	13,103	295,892	
Cons'n GPM	226	318	350	394	489	734	596	597	457	333	336	220	421	
Cons'n A.F	30.986	39.356	48.014	52.232	67.007	97.274	81.712	81.857	60.561	45.589	44.604	30.081	679.274	
Ave GPDPP	96.901074	123.0758	150.15207	163.3402	209.54503	304.19796	255.53169	255.98606	189.389	142.56712	139.48591	94.070833	177.020	
2015				-4%	-27%	-20%	-33%	-27%	-9%	-18%	-8%	11%	-15%	Reduction
Cons'n CCF	15,686	15,711	20,472	29,631	26,759	30,807	30,067	31,370	33,365	25,346	18,042	17,975	295,231	
Cons'n GPM	263	291	343	513	448	533	504	526	578	425	312	301	420	
Cons'n A.F	36.010	36.068	46.997	68.023	61.430	70.723	69.025	72.015	76.596	58.187	41.418	41.266	677.757	
Ave GPDPP	112.61029	112.79422	146.96957	212.72352	192.10615	221.16724	215.85778	225.2065	239.53237	181.96248	129.52236	129.04811	176.625	
2014														
Cons'n CCF	17,899	18,812	18,885	30,747	35,306	39,612	46,285	35,211	38,411	33,592	20,749	19,044	354,552	
Cons'n GPM	300	349	316	532	592	686	776	590	665	563	359	319	504	
Cons'n A.F	41.091	43.187	43.353	70.585	81.051	90.937	106.256	80.833	88.180	77.117	47.632	43.719	813.941	
2013														
Cons'n CCF	17,965	15,582	20,215	30,811	36,733	38,221	44,989	43,058	36,655	30,752	19,423	16,096	350,501	
Cons'n GPM	301	289	339	533	616	662	754	721	635	515	336	270	498	
Cons'n A.F	41.242	35.771	46.408	70.732	84.327	87.743	103.281	98.848	84.149	70.598	44.588	36.952	805	
													46.763566	
2012														
Cons'n CCF	15,541	16,894	20,272	19,552	39,647	36,242	44,216	41,956	31,268	28,645	20,721	15,028	329,982	
Cons'n GPM	260	313	340	339	664	628	741	703	541	480	359	252	468	
Cons'n A.F	36	39	47	45	91	83	102	96	72	66	48	34	758	
2011														
Cons'n CCF	15,076	13,553	17,061	20,126	28,968	36,990	35,866	42,149	34,486	28,970	22,109	14,483	309,836	
Cons'n GPM	253	251	286	348	485	640	601	706	597	485	383	243	440	
Cons'n A.F	35	31	39	46	67	85	82	97	79	67	51	33	711	
2010														
Cons'n CCF	14,233	13,314	14,700	20,220	25,677	38,639	38,204	41,414	36,846	22,271	20,503	14,588	298,609	
Cons'n GPM	238	247	246	350	430	634	640	694	638	373	355	244	424	
Cons'n A.F	33	31	34	46	59	84	88	95	85	51	47	33	686	
2009														
Cons'n CCF	15,040	13,018	16,441	26,407	31,435	31,679	42,662	36,142	36,308	28,987	20,572	17,769	316,460	
Cons'n GPM	252	242	275	457	527	549	715	606	629	486	356	298	449	
Cons'n A.F	35	30	38	61	72	73	98	83	83	67	47	41	726	

SHEEP CREEK WATER COMPANY

WELL #2A Monthly Water Levels / 2 years



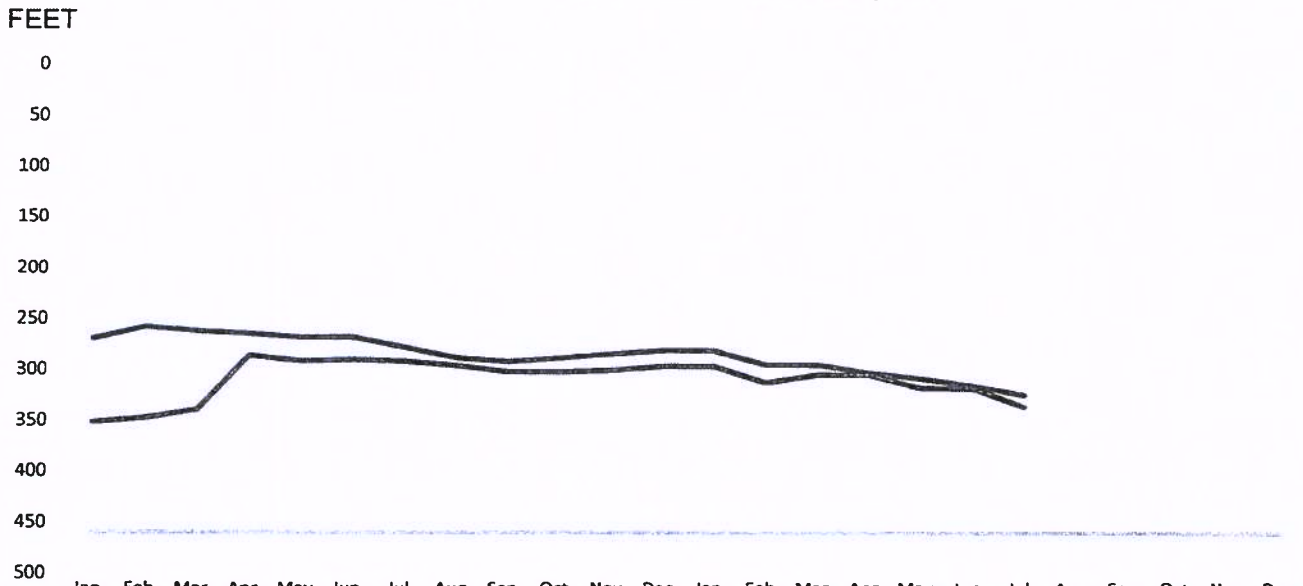
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
WELL 2A S	285	275	270	275	277	277	277	297	300	297	294	288	288	283	283	295	302	309	311					
WELL 2A P	310	302	302	302	302	305	305	312	320	320				299	295	304	306	313	362					
PUMP DEPTH	680	680	680	680	680	680	680	680	680	680	680	680	680	505	505	505	505	505	505	505	505	505	505	505

2017 / 2018

WELL 2A S WELL 2A P PUMP DEPTH

SHEEP CREEK WATER COMPANY

WELL #3A Monthly Water Levels / 2 years



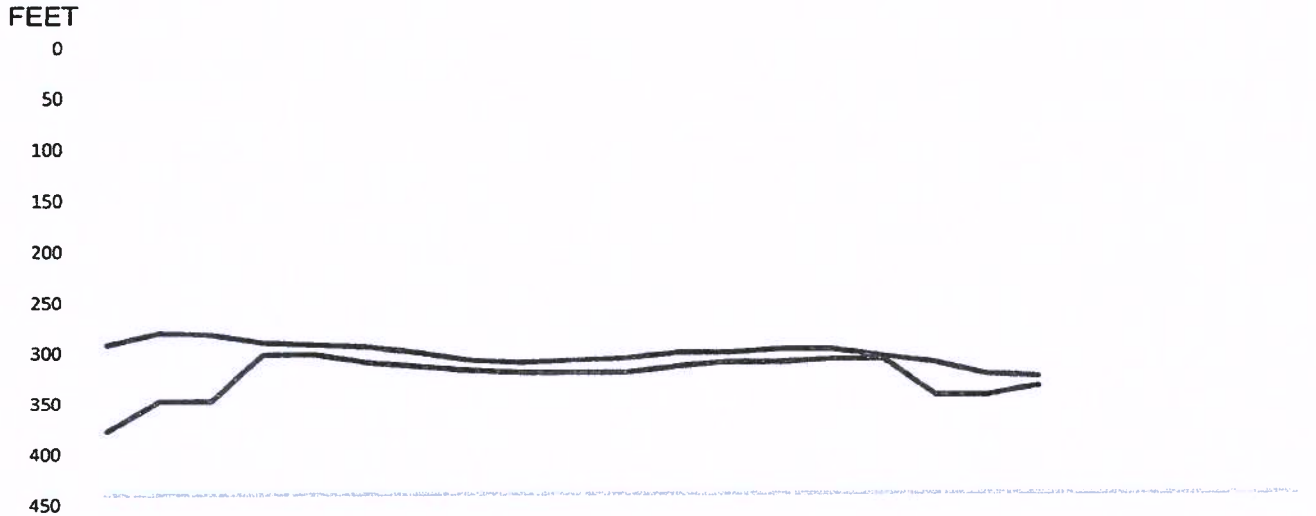
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
WELL # 3A S	270	258	262	265	268	268	278	288	292	288	284	280	280	294	294	302	308	314	324					
WELL # 3A P	352	348	340	286	292	290	292	296	302	302	300	296	296	312	304	304	317	317	335					
Pump Depth	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460	460

2017 / 2018

WELL # 3A S WELL # 3A P Pump Depth

SHEEP CREEK WATER COMPANY

WELL #4A Monthly Water Levels / 2 years



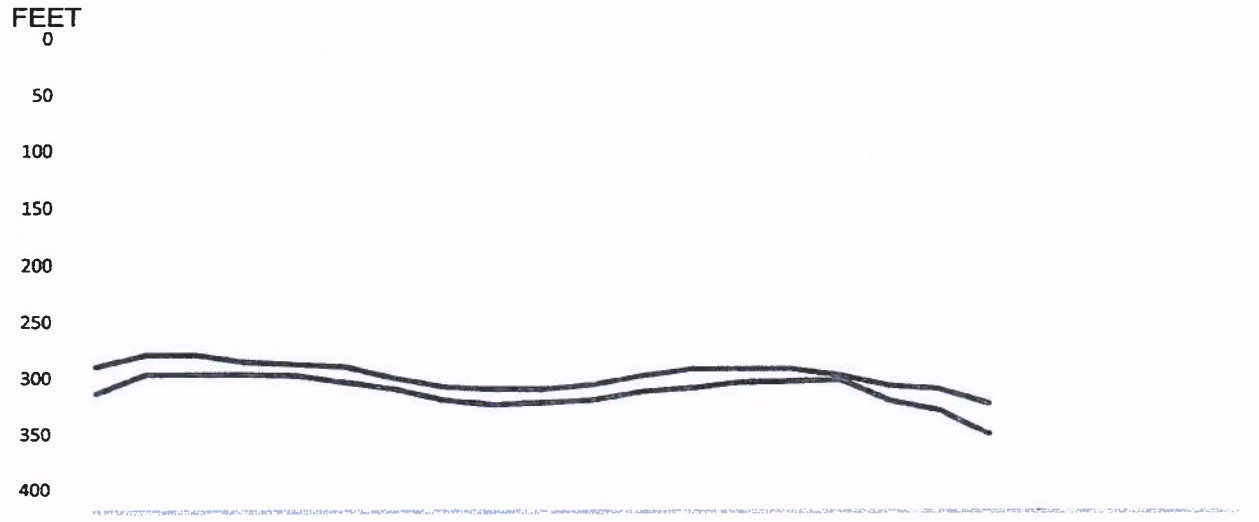
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
WELL # 4A S	292	280	282	290	292	294	300	308	310	308	306	300	300	297	297	304	311	322	325					
WELL # 4A P	378	348	348	302	302	310	314	318	320	320	320	314	310	310	307	307	343	343	334					
Pump Depth	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440

2017 / 2018

WELL # 4A S WELL # 4A P Pump Depth

SHEEP CREEK WATER COMPANY

WELL #5 Monthly Water Levels / 2 years



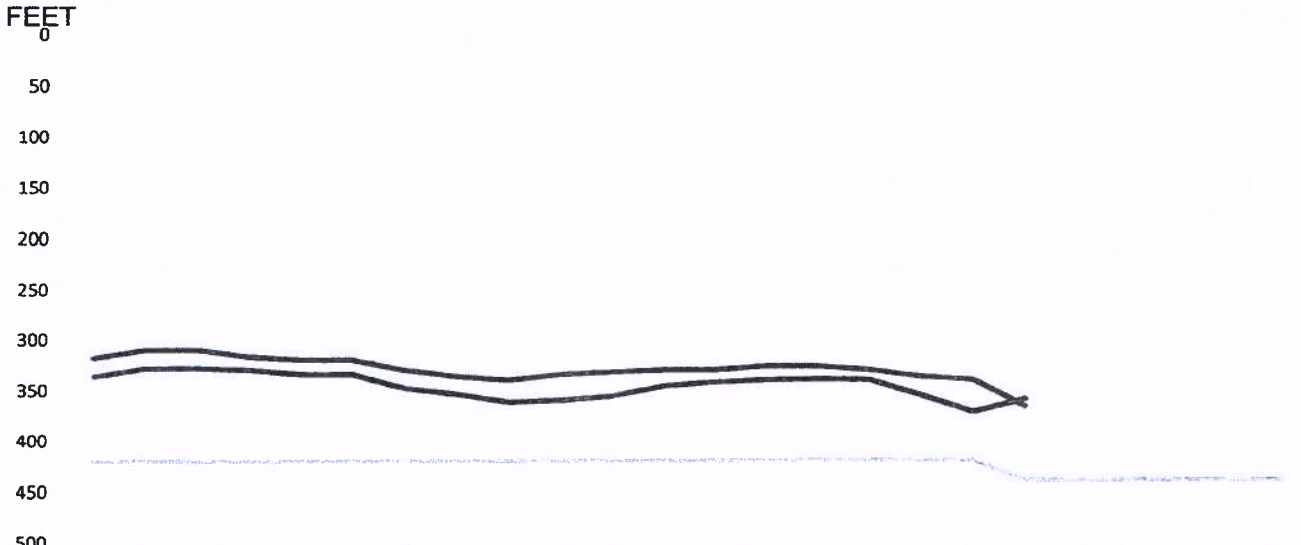
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
WELL # 5 S	290	280	280	286	288	290	300	308	310	310	306	298	292	292	292	298	307	310	323					
WELL # 5 P	314	297	297	297	298	304	310	320	324	322	320	312	309	304	303	302	321	329	351					
Pump Depth	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420

2017 / 2018

WELL # 5 S WELL # 5 P Pump Depth

SHEEP CREEK WATER COMPANY

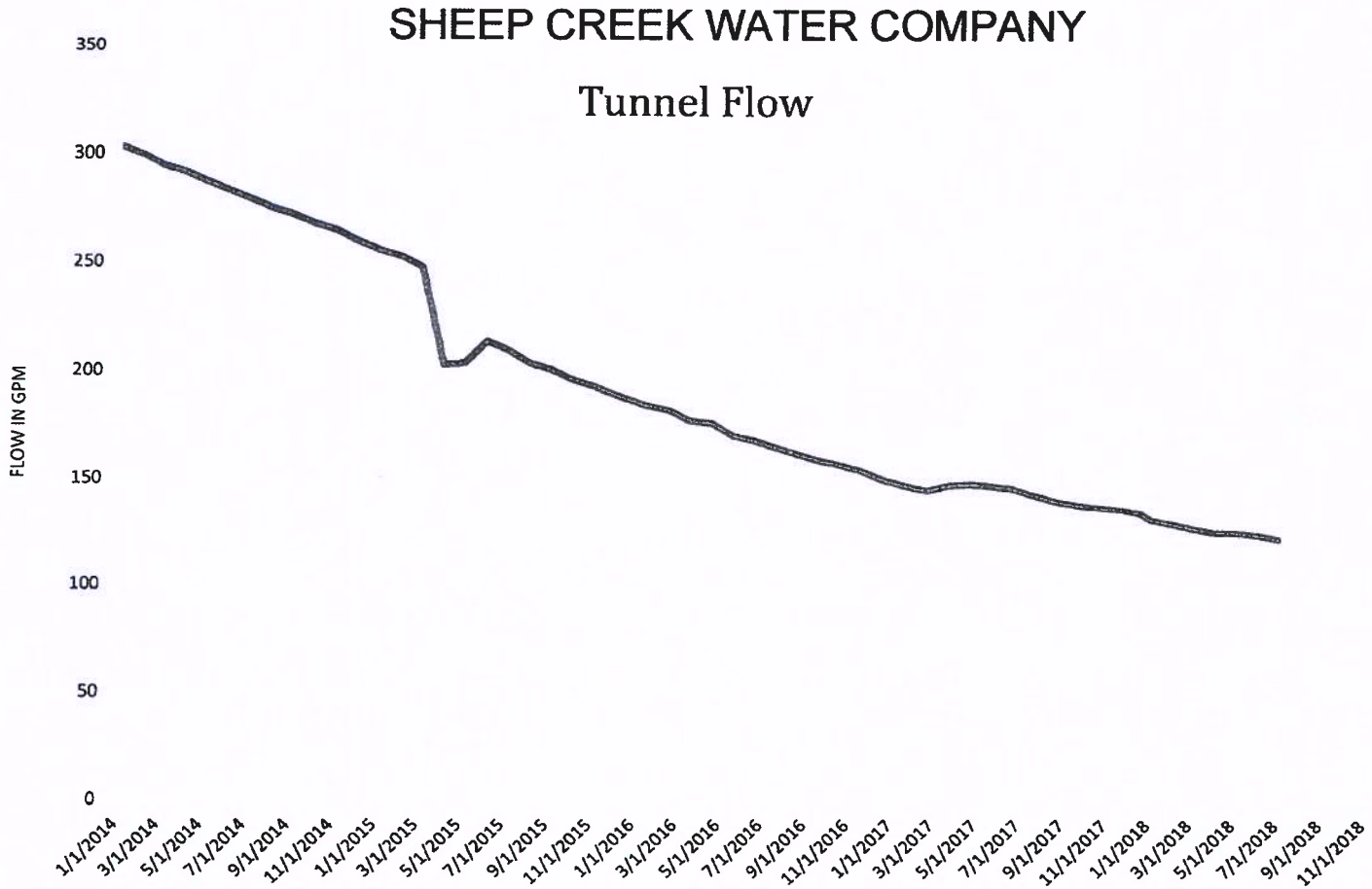
WELL #8 Monthly Water Levels / 2 years



	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
WELL # 8 S	318	310	310	317	320	320	330	336	340	334	332	330	330	326	326	330	337	340	366					
WELL # 8 P	336	328	328	330	334	334	348	354	362	360	356	346	342	340	339	340	355	371	359					
Pump Depth	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	420	440	440	440	440	440	440

2017 / 2018

WELL # 8 S WELL # 8 P Pump Depth


SHEEP CREEK WATER COMPANY
Tunnel Flow
FLOW IN GPM
350
300
250
200
150
100
50
0
1/1/2014
3/1/2014
5/1/2014
7/1/2014
9/1/2014
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Appendix 4

Kaur, Amy

From: Chris Cummings <sheepcreek@verizon.net>
Sent: Wednesday, August 22, 2018 2:51 PM
To: Cazares, Hector I.@Waterboards; Zuniga, Eric@Waterboards
Cc: swright@pphcsd.org
Subject: Re: Sheep Creek Water Company Update

Hector,

An update to the first email, per the Water Exchange Agreement with Phelan Pinon Hills Community Service District, Sheep Creek Water is notifying the State Water Resources Board of an impending water production shortage. At this time we will continue to purchase water from PPHCSD.

I will send updated production records this afternoon after I receive updated pumping levels.

Thank You,

Chris Cummings
Sheep Creek Water Company
(760) 559-7956

-----Original Message-----
From: Cazares, Hector I.@Waterboards <Hector.Cazares@Waterboards.ca.gov>
To: Chris Cummings <sheepcreek@verizon.net>; Zuniga, Eric@Waterboards <Eric.Zuniga@waterboards.ca.gov>
Sent: Wed, Aug 22, 2018 2:34 pm
Subject: RE: Sheep Creek Water Company Update

Hello Chris,

Thank you for the update. Please keep us posted as you proceed, and let us know if anything changes. Do you have updated production records available for this month that you could send us?

Best regards,
Hector Cazares

CALIFORNIA
Water Boards

Hector I. Cazares, E.I.T.
Water Resource Control Engineer
Division of Drinking Water – San Bernardino
464 W 4th Street, Suite 437, San Bernardino, CA 92401
(909) 383-4312 Desk (909) 383-4328 Main Line
hector.cazares@waterboards.ca.gov

From: Chris Cummings [mailto:sheepcreek@verizon.net]
Sent: Wednesday, August 22, 2018 2:25 PM
To: Cazares, Hector I.@Waterboards <Hector.Cazares@Waterboards.ca.gov>; Zuniga, Eric@Waterboards <Eric.Zuniga@waterboards.ca.gov>
Cc: swright@pphcsd.org
Subject: Sheep Creek Water Company Update

Good Afternoon Hector and Eric,

This is an update of the current water status for Sheep Creek. We were able to get current static water levels on the wells Monday due to Edison turn of power. 3 of the wells have had an increase of 5 feet and 1 well has had an increase of 18 feet. Consumption has been showing a decrease.

On August 10th we began to receive water from Phelan Pinon Hills CSD at the Tank 6 Interconnect. As of this afternoon we have received just under 10 AF of water and are looking to continue receiving water. We should began seeing a reduction in flow over the next week. If anything changes and we need to increase flow from PPHCSD I will let you know.

Thank You,

Chris Cummings
Sheep Creek Water Company
(760) 559-7956

Appendix 5

APPENDIX 3 – NOTIFICATION OF RECEIPT

Compliance Order Number:05-13-18R-002

Name of Water System: Sheep Creek Water Company

System Number: 3610109

Certification

I certify that I am an authorized representative of the Sheep Creek Water Company and that Compliance Order No.05-13-18R-002 was received on _____. Further, I certify that the Order has been reviewed by the appropriate management staff of the Sheep Creek Water Company and it is clearly understood that Compliance Order No.05-13-18R-002 contains legally enforceable directives with specific due dates.

_____ _____

Signature of Water System Representative Date

THIS FORM MUST BE COMPLETED AND RETURNED TO THE STATE WATER BOARD, DIVISION OF DRINKING WATER, NO LATER THAN September 20, 2018

Disclosure: Be advised that the California Health and Safety Code, Sections 116725 and 116730 state that any person who knowingly makes any false statement on any report or document submitted for the purpose of compliance with the Safe Drinking Water Act may be liable for, respectively, a civil penalty not to exceed five thousand dollars ($5,000) for each separate violation or, for continuing violations, for each day that violation continues, or be punished by a fine of not more than $25,000 for each day of violation, or by imprisonment in the county jail not to exceed one year, or by both the fine and imprisonment.