

SHEEP CREEK WATER COMPANY
Regular Board of Directors Meeting
July 22, 2021 ~ 6:00pm
Sheep Creek Water Company ~ Board Room via Zoom
4200 Sunnyslope Road, Phelan, CA 92371

The Regular Board of Directors Meeting of *July 22, 2021*, was called to order at 6:00 pm by Andy Zody. Luanne Uhl led in the Pledge of Allegiance, and David Nilsen led in the Invocation. Mr. Zody reminded everyone that all Board Meetings are recorded for accurate meeting minutes.

Directors Present: President Andy Zody, Secretary/Treasurer Kellie Williams, and Director's David Nilsen and Luanne Uhl were present at tonight's meeting.

Staff Present: General Manager, Chris Cummings was present.

Guests Present: There were no guest's at tonight's meeting.

Consent Motions:

Minutes: Regular Board of Directors Meeting of June 23, 2021

Bills: June 23, 2021 through *July 22, 2021*

Manager's Report: July 22, 2021

Open Forum: *Under this item, any member of the Board or Public, may address the Board on any item related to the company that is not listed on this agenda. However, the Board is prohibited under AB240 from taking any action on an item not appearing on the agenda. The Board President will call on each participant, and at that time, they will have three (3) minutes to speak.*

Chris Cummings asked that an item be added to the agenda for the next meeting of August 19, 2021 for the review of Office Fee's and add Closed Session to tonight's meeting.

Old Business:

a.) System Update: Static water levels over the past 2 months have dropped between 7-14 feet with steady decline weekly. Well levels are being monitored weekly. Well 2A & 5 are running an average of 12 hours a day. Well 11 is running 13 hours a day. The Tunnel is flowing at 136 gallons per minute. Total pumping capacity is down at 1,925 gallons per minute. Water usage is averaging 800,000 thousand gallons per day, with a 17% increase in consumption and 6% increase in production.

As required by the Sanitary Survey, the Grade Bands on all the tanks have been repaired, a Storage Tank Recoat Plan and Schedule was prepared and a draft sent to the State Water Board for review. There have not been any comments on the Tank Recoat Plan.

Chris reported that there is little update with the SWRCB Compliance Order. The meeting with the Board showed the Water Board is willing to work with Sheep Creek but cannot make any changes to the compliance timeline at this time. The Water Board recommends Sheep Creek submit an amended Compliance Plan with consolidation as the project. If the Water Rights issue is not resolved, then an updated Compliance Plan would not be necessary and Sheep Creek will move forward with drilling new wells.

b.) PPHCSD Consolidation Update: A water rights analysis will need to be completed. The company's attorney has been in contact with IEC also regarding the water rights analysis. The Tech Memo will be prepared for DFA regarding the water rights by November

2021. The issue for the water rights has been stressed to the State during the monthly update meetings. IEC is moving forward with data collection, system mapping and inspections. IEC scheduled to do a Tunnel Inspection for earlier this month. Mr. Cummings pushed the Inspection off until fall due to current water use and the Tunnel water will be put to waste during the inspection.

New Business:

a.) ***SWRCB Order NO. 05-13-21D-004 Technical Reporting Order in Response to Expected Water Supply Shortage:*** On July 2, 2021, Sheep Creek Water Company received Order NO. 05-13-21D-004 Technical Reporting Order in Response to Expected Water Supply Shortage. On May 10, 2021, Governor Newsom, issued a Proclamation of a State of Emergency in which he found that California is in a second consecutive year of dry conditions. The State Water Board has identified as a water system that may face potential future water shortages. Sheep Creek has been identified as one of these water systems, due to the source capacity issue, that have been faced, along with the changing water levels in the canyon. The Order requires Sheep Creek Water to report weekly water levels and production data. As any conservation plans or protocols are put into place or updated, they must be reported in the weekly reporting. Mr. Cummings already submits a monthly report due to the current Compliance Order.

Next Scheduled Meetings

- a.) ***August 19, 2021 via Zoom***
- b.) ***September 16, 2021 via Zoom***

Adjournment: David Nilsen moved to adjourn the meeting and go into closed session. Luanne Uhl seconded the motion. Motion carried.

The Regular Board of Directors Meeting of *July 22, 2021* was adjourned at 6:30 pm.

Respectfully Submitted,

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

AC