

SHEEP CREEK WATER COMPANY
Regular Board of Directors Meeting
November 21, 2019 ~ 6:30 PM
Snowline School District ~ Board Room
4200 Sunnyslope Road, Phelan, CA 92371

The Regular Board of Directors Meeting of November 21, 2019 was called to order at 6:31 PM by Vice President Bob Howard. Director Luanne Uhl led in the Pledge of Allegiance and David Nilsen led in the invocation. Mr. Howard reminded those present that the meeting was being recorded to insure accuracy of meeting minutes.

Directors Present: Directors present were, Vice President Bob Howard, Director Luanne Uhl and Director David Nilsen. President Andy Zody was present via speaker phone.

Guests Present: Guests present tonight were Michael Palecki, Don Fish Jr. and Charlie Johnson

Staff Present: Staff present were General Manger Chris Cummings and Administrative Secretary Dorothy Zody.

Consent Motions: Luanne Uhl moved to accept the Consent Motions as presented. Mr. Zody seconded the motion. Motion carried.

Open Forum: Mr. Howard explained that under this item any member of the Board or Public may address the Board on items not on the Agenda. However, under Ab 240 the Board is prohibited on taking any action on an item not appearing on the agenda. There was no discussion for Open Forum.

Old Business:

a.) System Update: Chris reported that Static water levels have had no change over the past several weeks. Our water levels compared to 1 year ago are up an average of 6-30 feet higher than last year. Wells 2A and 8 are still running 7-12 hours a day. With average usage just over 400,000 gpd. Current pumping capacity is 1,313 gpm with Well 3A off line and 126 gpm in the Tunnel. Bob Howard asked how many gpm Well 3A normally produces. Chris said normally its 200-205 gpm and 650 gpm during normal years.

b.) SWRB Compliance Order: Chris reported that unfortunately there is no updates at this time. Chris has reached out to the SWRCB requesting a meeting so they can go over what our future is for compliance. Chris is waiting for some available dates from the SWRCB so we can get our meeting set. Bob asked when we submitted our plans and Chris explained that we sent our letter stating that the Shareholders approved to drill wells August 28th and we're still waiting on a reply and an update on the Compliance Order. Dave asked if that would hold up the CEQA process. Chris explained that that's why he wants to have a meeting with them

c.) Source Capacity Project Update: There is no update at this time. Tom Dodson is still working on the Initial Study for the CEQA for the three wells but are still waiting on the State Water Board before they can finalize CEQA. We are also working on additional property searches for additional wells if necessary. Bob stated that this process is also being held up by the State but we are still moving forward with the CEQA.

d.) Well 3A Update: Chris reported that pumping equipment has been re-installed in Well 3A. We've upgraded the 6 stage pump to a 13 stage pump, this should allow the water level to be drawn down. The casing has been extended an additional 18" so that'll bring the pipework up to

24" above grade. The pipework will be raised and reconnected to the system in the next couple of weeks. The new pump design is rated at 650 GPM once water does come back. Bob asked Chris what pumping capacity Well 3A has been running at when collecting samples and testing it. Chris answered that right now it's running around 200 GPM.

New Business:

a.) 2020 Operating Budget: Chris reported that the budget is for operations only. Estimated income is \$1,353,000 which includes:

Chris explained that the budget is for operations only. Water use estimates are based on similar usages of 2019. Estimated income is \$1,353,000 which includes:

- (1.)** *The additional base rate for the Well 11 loan which is estimated at \$71,000.*
- (2.)** *Well maintenance funds estimated at \$72,000 which also pay the Well 2A Shareholder Loan*
- (3.)** *Estimated Mojave Water Agency replacement obligation funds.*
- (4.)** *Tier 3 Assessment funds estimated at \$123,164 to be used for the Source Capacity Project and the Well 11 loan.*
- (5.)** *Tier 3 Capital Improvement funds estimated at \$91,000 to be used for the Source Capacity Project.*

The budget also reflects an increase in legal and engineering fees due to the SWRCB Compliance Order possible requirements. There was a recommendation from a member of the Board to include a 1% COLA, which is reduction from the normal 2%, that was put back into the budget for consideration. The Budget will be brought back for the December 5th meeting for approval. Dave thanked Chris for all of his hard work on putting the budget together.

Next Scheduled Meetings:

a.) December 5, 2019- Regular Board of Directors Meeting-possibly at SCWC office. Location will be posted on the website

b.) January 23, 2020- Regular Board of Directors Meeting- School District Board Room Meetings have been scheduled with the school district through June 2020.

Closed Session: The Board moved into closed session 6:50 p.m.

Adjournment: President Andy Zody made the Motion to adjourn. David Nilsen Seconded the Motion. Motion Carried. The Regular Board of Directors Meeting of November 21, 2019 adjourned at 6:43 p.m.

Respectfully Submitted,

Bob Howard- Board of Directors

Vice President

Sheep Creek Water Company