

SHEEP CREEK WATER COMPANY
Regular Board of Directors Meeting
December 17, 2020 ~ 6:30pm
Sheep Creek Water Company ~ Board Room via Zoom
4200 Sunnyslope Road, Phelan, CA 92371

The Regular Board of Directors Meeting of December 17, 2020, was called to order by Andy Zody at 6:30 pm. Chris Cummings led in the Pledge of Allegiance and David Nilsen led in the Invocation. Mr. Zody reminded everyone that the meeting is being recorded for accurate meeting minutes.

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

Staff Present: General Manager Chris Cummings

Guests Present: PPHCSD Board Member Deborah Philips and Michael Palecki, with the Mountaineer Progress

Consent Motions

Minutes: Regular Board of Directors Meeting – December 17, 2020

Bills: November 19, 2020 through December 17, 2020

Managers' Report – December 17, 2020

David Nilsen moved to accept the Consent Motions as presented. Kellie Williams seconded the motion. Motion carried.

Open Forum: *Under this item any member of the Board of Public may address the Board on any item relating 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.*

Old Business

a.) System Update: Static water levels compared to one year ago have had an increase of between 2 – 4 feet. Wells 3A and Well 5 are running daily, averaging 5 hours a day. Water usage is averaging 365,000 thousand gallons per day. The Tunnel is averaging 132 gallons per minute with total pumping capacity at 1,948 gallons per minute.

The draft Asset Management Plan was reviewed and corrections were submitted back to the engineer. The SWRCB received the draft for review and did not have any comments or changes. The Final Draft has been completed and was received yesterday. The Final version of the AMP will be submitted back to the SWRCB to complete the final Directive in the updated compliance order dated March 2020.

b.) PPHCSD Consolidation Update: The cost for the scope of work for the engineer to complete the construction plans and application was higher than the state normally sees, this is currently being addressed. DFA had some concerns with a few projects that were added to the project. I included 3.6 miles of water main replacement and a booster station to be installed here at the office. Both of these projects are to improve fire flows in the commercial zone and needed areas of the system. Also included is tank rehabilitation, which may have to be address at a later time.

The State also has concerns regarding negotiations, and wants to see continued progress and confirmation of consolidation. The State is concerned with investing into the project and either District backs out. PPHCSD, IEC and Sheep Creek met to discuss the concerns from the State and also a timeline was prepared to begin to gather the necessary information to present to the Shareholders. Along with the proposed consolidation, the sale of the water rights will be proposed at the Annual Shareholders Meeting.

Chris also reported that Sheep Creek has met with the CSD this week to continue moving forward with discussion. Chris is working to schedule a time to meet with the SWRCB and the CSD to discuss options to get some meters released from the moratorium and extending the timeline for the compliance order.

New Business:

a.) Jason Hong – Meter Service Reimbursement Request: Shareholder, Jason Hong, purchased a ten acre parcel of vacant land with 2 meter services installed in 2006. Mr. Hong then, purchased 2 additional meters services for the property. As of August 2018, when the SWRCB moratorium was put into place the additional meter services had not been placed. Mr. Hong has not had any success in selling the property due to the SWRCB Service Connection Moratorium that was placed on Sheep Creek. Mr. Hong is having severe health issues and is pleading with the Board for help with a reimbursement for the two meters services that were purchased and have not been installed. Mr. Hong has sent an additional request for reimbursement to his request in September.

The Board agreed that Mr. Hong could place a flyer at the Sheep Creek Water Company office to advertise the sale of the 2 meter services with the understanding by the buyer that the meter services will not be able to be placed until the Service Connection Moratorium is lifted.

Next Scheduled Meeting: January 21, 2021, via Zoom.

Adjournment: David Nilsen moved to adjourn the meeting. Kellie Williams seconded the motion. Motion carried. The Regular Board of Directors meeting of December 17, 2020 was adjourned at 7:00 pm.

Respectfully Submitted,

Kellie Williams
Secretary/Treasurer
Sheep Creek Water Company