SHEEP CREEK WATER COMPANY

BOARD OF DIRECTORS MEETING

May 19, 2018

PHELAN ELEMENTARY SCHOOL

SHEEP CREEK WATER COMPANY

BOARD OF DIRECTORS

2017 / 2018

ANDY ZODY- PRESIDENT

BOB HOWARD- VICE PRESIDENT

KELLIE WILLIAMS- TREASURER / SECRETARY

LUANNE UHL- DIRECTOR

DAVID NILSEN- DIRECTOR

CHRIS CUMMINGS- GENERAL MANAGER

EMPLOYEES

GENERAL MANAGER

Chris Cummings

OFFICE STAFF

April Chaplin - Administrative Secretary

Dorothy Zody - Administrative Secretary

FIELD CREW

Mike Siaz - Field Supervisor

Joe Tapia - Water Quality

Paul Pollard - Field Technician

Proxy Committee

April Chaplin

Dorothy Zody

Joanna Spainhower

Donna Drover

Bonnie Howard

SHEEP CREEK WATER COMPANY
4200 Sunnyslope Road, Phelan, California 92371
Mailing: P O Box 291820, Phelan, CA 92329-1820
Phone: (760) 868-3755

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN, that the Annual Meeting of the Shareholders of Sheep Creek Water Company, a California corporation, will be held at **Phelan Elementary School**, located at **4167 Phelan Road, Phelan, California,** on **May 19, 2018 at 10:00 a.m.,** local time, for the following purposes:

I. Open Meeting
   a.) Flag Salute & Invocation
   b.) Introductions
      1.) Board Members
      2.) Past Board Members
      3.) Sheep Creek Water Company Staff
      4.) Proxy Committee

II. Financial Update
   a.) Approval of 2017 Financial Statement

III. Old Business
   a.) Approval of Annual Meeting Minutes of 2017
   b.) System Update
   c.) Well #11 Phase 1 Update- Secondary Source Project

IV. New Business
   a.) Information Only- Rates
   b.) Well #11 Phase 2- Secondary Source Project

V. Procedures for Voting
VI. Election of Directors
VII. Adjournment

OVER ⟶

Dear Shareholders,

Whether or not you plan to attend the
Annual Meeting
Please sign, and date the enclosed proxy form.
A return envelope has been provided for your
Convenience.

Remember,
If you attend the meeting on May 19, 2018,
You must be signed in before 10:00 A.M.
Or your vote will not be counted!

We hope to see you there!

You can also send the Proxy by
E-mail: sheepcreek@verizon.net or
Fax: (760) 868-2174

SHEEP CREEK WATER COMPANY
ANNUAL STOCKHOLDERS MEETING
MINUTES OF MAY 13, 2017

Welcome All Shareholders and Guests, to the 2017 Annual Stockholders Meeting!

This year, the Annual Stockholders Meeting of May 13, 2017 was held at Phelan Elementary School. Much thanks and appreciation to the *Snowline School District*!

The meeting was called to order at 10:00 AM by Board President, *Andy Zody*. Mr. Zody informed everyone that the meeting was being recorded to insure the accuracy of the meeting minutes. The Board of Directors was notified that there was a quorum and the 2017 Stockholders Meeting of 2017 was now an official meeting.

Bob Howard led in the Flag Salute and also the Invocation. Mr. Zody asked for a moment of silence in remembrance of *Carolyn McNamara* and *Paula Vanleuven*, both long time shareholders with Sheep Creek Water Company and loved by all in the tri community.

Introductions

Current Board Present –

Andy Zody, Bob Howard, David Nilsen, Luanne Uhl and *Kellie Williams*

Staff Present

Chris Cummings – General Manager / *Mike Siaz* – Field Supervisor
Joseph Tapia – Water Quality Technician / *Paul Pollard* – Field Technician
April Chaplin – Accounts Payable / *Sandi Moseley* – Accounts Receivable

Mr. Zody recognized *Chris Cummings, Mike Siaz* and *April Chaplin* for 20 years of employment with Sheep Creek Water Company.

Past Board Members Present – *Bob English, Jim Watson* and *Villy Jorgenson were respectfully recognized.*

Proxy Committee – A special "Thank You!" to *Joanna Spainhower* and *Donna Drover* for all your help this year on the committee.

Attorney – *Ernie Riffenburgh* of Gresham Savage & Nolan was also introduced as the Company's long time standing, attorney.

Financial Update – Shareholder *Bob English* questioned the Board on the Shareholder loans. The Board explained that the Shareholders loan money to the Sheep Creek Water Company at a lower interest rate than the banks loan to Sheep Creek. The Shareholders approved this several years ago.

Shareholder Mr. Davis asked how many meters are accounted for the total water sales of the year 2016. Andy Zody answered "Between 1155 to 1165" active meters. Mr. Davis asked how much of it was residential and how much of it was the businesses or school district. Mr. Zody explained that there are thirteen active meters with the school district. Most of the sales are from residential use.

Mr. Zody entertained a motion to accept the 2016 Financial Statement as presented. Shareholder *Jim Watson* moved to accept the 2016 Financial Statement as presented. Shareholder *Maryanne Wolf* seconded the motion. Motion carried.

Old Business

Annual Meeting Minutes 2016 – Mr. Zody entertained a motion to accept the 2016 Annual Meeting Minutes as presented. *David Nilsen* moved to approve of the 2016 Annual Meeting Minutes as presented. *Jim Watson* seconded the motion. Motion carried.

System Update – Tunnel production is at 150 gallons per minute. Although there was some snow this winter, there has been no significant recharge in the canyons at this time. The Board is still asking its water users to conserve. The allotment will drop to 350 cubic feet per, after the first share of 1000 cubic feet.

A question was asked pertaining to the overage charges and the allotment being lowered. Mr. Zody explained that because of the drought, Sheep Creek has had to lower the allotment in order to get customers to cut back on usage. The Board wants to be able to change the allotment as discussed.

Production –	**2017**	**2016**	**2015**	
Tunnel	148	174	203	GPM
Well 2A	50	559	573	GPM
Well 3A	225	530	678	GPM
Well 4A	253	556	759	GPM
Well 5	350	463	537	GPM
Well 8	345	438	460	GPM

Storage – (Gallons)

Tank 2 – 428,000	Tank 3 – 210,000	Tank 4 – 428,000
Tank 5 – 141,000	Tank 6 – 912,000	Tank 7 – 1,000,000
Tank 8 – 3,000,000		

Over the past five years, at separate times, the Sheep Creek Water Company was able to provide to the Phelan Pinon Hills Community Service District (CSD), 2.10 million gallons of water when they asked us for help. They in return provided the Sheep Creek Water Company with 4.6 million gallons of water last August & September 2016. Sheep Creek currently owes the CSD 2.5 million gallons of water.

Antelope Valley Litigation Update – Mr. Riffenburgh reported that other water companies are still in an appeal process with the Antelope Valley Litigation. Thankfully, Sheep Creek is not. Sheep Creek attorneys will still be monitoring the case, with little or no cost to the company.

New Business

Emergency canyon Line Replacement – Mr. Nilsen explained that an emergency decision had to be made by the Board, in order to replace 3,000 feet of main line in the canyon. The line kept breaking and was not reliable. The final decision was made when the company was told that the area where our water line is, was going to be paved. The Board is asking the Shareholders to consider keeping the existing service charges on the water bills to pay for this new line.

By-Law Amendment

"The water of the company available for delivery shall be deemed apportioned among the shares so that during the given period of time each share shall be entitled to receive the same amount of water as every other share: provided, however, if any consumer fails to draw the full amount apportioned to the share furnishing the service of that consumer, the right to any apportioned water not drawn shall be waived and any such water may be taken by the consumers, subject always to payment of tolls and the rules for the good faith and by a vote of majority of its membership, shall have the authority to adjust water allocation per share to provide for up to twice the allocation for a Shareholder's first share as for each of a Shareholders other shares until such time as the severe water supply decrease shall have subsided. "

"The water of the company available for delivery shall be deemed apportioned among the shares so that during the given period of time each share shall be entitled to receive the same amount of water as every other share: provided, however, if any consumer fails to draw the full amount apportioned to the share furnishing the service of that consumer, the right to any apportioned water not drawn shall be waived and any such water may be taken by the consumers, subject always to payment of tolls and the rules for the good faith and by a vote of majority of its membership, shall have the authority to adjust water allocation per share to provide for up to ***five times*** *the allocation for a Shareholder's first share as for each of a Shareholders other shares until such time as the severe water supply decrease shall have subsided. "*

A hand vote was called to vote to change '***twice the allocation*** to ***five times the allocation***'. The vote was 12 to 4, changing the wording on the By-Law Amendment from *twice* the allocation to *five times* the allocation.

Kellie Williams moved to accept the changes made to the By Law-Amendment 8.08, as presented. David Nilsen seconded the motion. Motion carried.

This motion will give the Board of Directors, flexibility, through approval of the Shareholders.

Allotment Schedule: Information Only

Stage 1 – 1,350 CF per share / Normal operating conditions, all sources are operating under normal safe production and water levels. Safe production yield in excess of 3,000 gallons per minute.

Stage 2 – 1,000 CF per share / Static water levels are showing signs of decline along with a decline in the safe production. Safe production yield droppings to 2,600 gallons per minute

Stage 3 – 750 CF per share / Static water levels are showing higher signs of decline along with significant decline in the safe production. Safe production yield dropping below 1,500 gallons per minute.

Stage 4 – 500 CF per share / Static water levels are showing higher signs of decline along with significant decline in the safe production. Safe production yield dropping below 1,000 gallons per minute.

Tiered Water Allotment Schedule

Stage 5 – 1,000 CF for the first share, 750 CF for the remaining shares
Static water levels are showing higher signs of decline along with significant decline in the safe production. Safe production yield dropping below 2,000 gallons per minute.

Stage 6 – 1,000 CF for the first share, 500 CF for the remaining shares
Static water levels are showing higher signs of decline along with significant decline in the safe production. Safe production yield dropping below 1,500 gallons per minute.

Stage 7 – 1,000 CF for the first share, 350 CF for the remaining shares
Static water levels are showing higher signs of decline along with significant decline in the safe production. Safe production yield dropping below 1,000 gallons per minute.

Stage 8 – 750 CF for the first share, 350 CF for the remaining shares
Static water levels are showing higher signs of decline along with significant decline in the safe production. Safe production yield dropping below 1,000 gallons per minute.

Secondary Source – New Well #11

The Board recommends Assessments to pay for this project. Mr. Nilsen explained that a couple of years ago, the state of California changed the chromium 6 requirements from 50 parts per billion down to 10 parts per billion. Our well in Antelope Valley tested at 13 parts per billion. People in the community are very concerned about chromium 6. We would have to blend the water, but at this time we do not have the pipeline to transport the water to our office to blend the water.

Mr. Nilsen shared that the company wants to drill a test hole on a piece of property on the north side of Smoke Tree Road. We will drill the pilot hole and test the water. There is chance that there may not be water at this property. If there is potable water there, we will only use it when absolutely necessary. The company with the help of California Rural Water Association has submitted an

application for Prop 1 grant funding through the State of California. Mr. Nilsen shared that the Board of Directors all agree that this secondary source is a viable option at the current time. We are asking for a vote to go forward with the secondary source project. If the company does not receive any grants, the company will have to assess the Shareholders. It may be approximately $30.00 per share, twice a year. Mr. English asked if the company owned the property. Mr. Nilsen reported that the company has made an agreement with the owner, which would not require the company to purchase the property unless there is water. If there is water, then we have a price already negotiated. If there is not water, the Board has agreed to place a water meter on the property. The property is close to our water lines, which will bring any line extension to be met at a minimal cost.

Shareholder Mark Roberts said he liked the 'game plan', but asked if there was any consideration as to divesting the property in L. A. County, since it's been such a problem. Mr. Nilsen explained that the litigation has been paid. It was expensive but paid. They have already given us permission to pull water from it, as long as we replace it. There wouldn't be any advantage to bail out on the project after so much money has been put into it. Mr. Howard added that there has been too much money already invested into the property to even consider getting rid of it.

The Board encouraged the people to come to the water board meetings that are held every month.

Procedures For Voting – Mr. Riffenburgh went over the Official Ballot, with emphasis on signing and filling out the voter information on the front page.

Shareholder Jim Watson moved to keep the present Board of Directors. Shareholder Joe Wolfe seconded the motion. Andy Zody asked if there were any other nominations for the Board of Directors at this time. No other nominations were presented. Andy Zody moved to close the nominations. David Nilsen seconded the motion. Andy Zody made a motion to keep the current Board of Directors for the year 2017 through 2018. Motion carried by voice vote.

While the ballots were being passed around, Mr. Howard introduced a company from Oakland, California that claims that their devices can help remove chromium 6. Everyone was welcomed to stay and listen to the presentation.

Voting Results:

Emergency Canyon Line Replacement – To continue current water rates for repayment of loan for Canyon Line Replacement. **Passed- YES 3,713 / NO 5**

By-Law Amendment 8.08 – Allow the Board to change allotment for first share, and change wording in the by-law amendment from ***twice*** the allotment to, ***five times*** the allotment. **Passed- YES 3,642 / NO 66**

Secondary Source – New Well #11, loan to be paid by assessments. **Passed- YES 3,142 / NO 571**

Respectfully Submitted,

David Nilsen
Board of Directors – Secretary/Treasurer
Sheep Creek Water Company

2017

FINANCIAL STATEMENT

SHEEP CREEK WATER COMPANY

FOR THE YEAR ENDING
DECEMBER 31, 2017

CECELIA J. CUMMINGS, CPA

6074 PARK DRIVE, STE 1
P. O. BOX 1960
WRIGHTWOOD, CA 92397

April 10, 2018

Board of Directors
Sheep Creek Water Company
P.O. Box 291820
Phelan, CA 92329-1820

The accompanying Balance Sheet and Profit and Loss Statement for Sheep Creek Water Company as of December 31, 2017 and for the twelve months ending have been compiled by us on an accrual basis. A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles general accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accounting. The objective of a compilation is to assist management in presenting financial information in the form of financial statement without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Cummings CPA

Cummings CPA

Wrightwood, CA
April 10, 2018

Phone: (760) 249-3092 Fax: (760) 249-6384 officc@cjcummingscpa.com

SHEEP CREEK WATER COMPANY
Balance Sheet
December 31, 2017

ASSETS

CURRENT ASSETS		
Cash on hand		$ 390.00
Cash in DCB - Assessment		229,195.82
Cash in DCB - Capital Improvement		19,584.76
Cash in DCB - Checking		63,937.17
Cash in DCB - Savings		57,163.37
Cash in DCB - System Upgrade		37,680.94
Cash in DCB - Wells		184,062.51
Total Cash		592,014.57
Accounts receivable:		
Employee	$ 350.00	
Water sales	145,225.06	
Assessments	4,365.02	
		149,940.08
Inventory		99,531.21
Prepaid expenses:		
Dues	1,089.00	
Insurance	7,777.63	
Property tax	6,858.59	
Software	6,202.05	
		21,927.27
Total Current Assets		$ 863,413.13
PROPERTY AND EQUIPMENT		
Land - Phelan	161,093.99	
Land - LA County	85,261.18	
Land - Remove reservoir	87,174.13	
Equipment and Fixtures (Sch 2)	10,317,475.21	
	10,651,004.51	
Less Accumulated Depreciation	(5,525,772.77)	
Net Property and Equipment		5,125,231.74
Total Assets		$ 5,988,644.87

See Accountant's Compilation Report

SHEEP CREEK WATER COMPANY
Balance Sheet
December 31, 2017

LIABILITIES AND STOCKHOLDERS EQUITY

CURRENT LIABILITIES		
Accounts payable	23,237.76	
Payroll taxes payable	$ 4,225.30	
Total Current Liabilities		$ 27,463.06
LONG-TERM LIABILITIES		
CNH Industrial Capital	53,163.92	
Vehicle loans	28,851.12	
Shareholder Loans	306,063.37	
Total Long Term Liabilities		388,078.41
Total Liabilities		$ 415,541.47
STOCKHOLDERS' EQUITY		
Common Stock	10,000.00	
Treasury Stock	1,236.85	
	11,236.85	
Surplus - Assessments	4,310,716.65	
Surplus - Meter Installations	3,788,497.71	
Surplus - Wild Horse Canyon	57,029.39	
Replacement Well Funds	1,067,501.50	
	9,223,745.25	
Retained Earnings	(3,484,811.53)	
Net Income (Loss)	(177,067.17)	
Total Stockholders' Equity		5,573,103.40
Total Liabilities and Stockholders' Equity		$ 5,988,644.87

See Accountant's Compilation Report

SHEEP CREEK WATER COMPANY
Statement of Income and Expense
For the period ending December 31, 2017

	Amount	
INCOME		
Water sales	$ 885,708.59	
Penalties - water service	5,577.86	
Electrical Surcharge	38,157.05	
Stock transfer fees	2,646.00	
Reinstall/reconnect fees	1,680.00	
Construction meter use charges	5,190.90	
Inspection fee	0.00	
Water service adjustments	(6,150.05)	
Total income		$ 932,810.35
OPERATING EXPENSES		
Advertising	75.00	
Auto and truck	14,776.64	
Bank service charges	198.39	
Conferences and meetings	38.55	
Contract services	6,794.78	
Credit card charges	10,034.58	
Depreciation	255,927.57	
Diesel fuel	5,973.28	
Donations	689.52	
Dues and subscriptions	1,051.73	
Employee benefits	3,785.72	
Employee retirement	24,957.35	
Employee training	400.00	
Insurance - bond	100.00	
Insurance - board health	28,665.26	
Insurance - commercial package	31,062.00	
Insurance - staff health	83,517.50	
Insurance - workmans' comp	16,387.00	
Interest	21,060.71	
Internet access fee	48.25	
Materials	1,579.97	
Lab tests and inspections	3,896.00	
Lease payments - pagers	302.65	
Lease payments - copier	2,776.59	
Lease payments - credit card machine	294.44	
Licenses and permits	1,052.63	
Maintenance fees - SEP/IRA	450.00	
Miscellaneous	10.00	
Office expense and supplies	13,038.36	
Outside services	185.00	
Postage	9,731.27	
Printing	486.10	

See Accountant's Compilation Report

SHEEP CREEK WATER COMPANY
Statement of Income and Expense
For the period ending December 31, 2017

Professional - accounting	7,000.00	
Professional - engineering	2,977.00	
Professional - legal	31,822.13	
Repairs and maint - auto	10,101.99	
Repairs and maint - equipment	2,858.53	
Repairs and maint - general	6,660.56	
Repairs and maint - lines/meters, system	43,661.40	
Salaries - maintenance	159,241.78	
Salaries - management	81,772.54	
Salaries - office	111,252.81	
Salaries - phone stipend	2,344.68	
Small tools and supplies	254.67	
State water fees	7,396.60	
Stock purchase	750.00	
Subcontract labor	1,750.90	
Taxes - payroll	34,701.90	
Taxes - property	7,674.56	
Telephone	5,277.80	
Uniforms	1,336.28	
Utilities - operating	4,486.14	
Utilities - wells	46,200.39	
Water quality treatment	7,512.54	
Total Operating Expenses		1,116,382.04
		(183,571.69)
OTHER INCOME & EXPENSE		
Gain on Sale	2,700.00	
Interest income - Assessment	107.39	
Interest income - Capital improvement	23.28	
Interest income - Checking	52.76	
Interest income - Savings	118.91	
Interest income - System upgrade	30.30	
Interest income - Wells	191.48	
Refunds		
Miscellaneous	50.00	
Insurance	2,219.42	
Payroll	1,078.48	
Tax	106.64	
Lost certificates	495.00	
NSF service charges	200.00	
Service fees	(69.14)	
Total Other Income & Expense		7,304.52
INCOME (LOSS) BEFORE TAXES		(176,267.17)
Provision for State Income Tax		(800.00)
NET INCOME (LOSS)		$ (177,067.17)

See Accountant's Compilation Report

SHEEP CREEK WATER COMPANY
Statement of Changes in Financial Position
For The Year Ended December 31, 2017

Financial resources, provided by operations:	
Net income (loss)	$ (177,067.17)
Items which did not require the outlay of working capital:	
Depreciation	255,927.57
Prior years adjustments cumulative	(102,821.46)
	(23,961.06)
Working capital provided by project funds:	
Increase in paid-in capital:	
Assessments	221,148.00
Meter installation funds	10,750.00
	207,936.94
Other reductions to working capital:	
Decrease in shareholder loans	(25,757.11)
	182,179.83
Financial resources applied to:	
Acquisition/completion of property and equipment	298,409.18
Company labor/equip applied to acquisitions	(45,592.63)
Prepaid costs of work in progress	12,979.50
Decrease in work-in-progress	(44,598.44)
Increase in long-term loan	(1,869.56)
	219,328.05
Increase (Decrease) In Working Capital	$ 401,507.88

Summary of Changes In Working Capital By Components:	
Current Assets	
Cash	$ 294,002.53
Accounts receivable	105,076.40
Inventory	8,794.27
Prepaid expenses	2,138.86
Current Liabilities	
Accounts payable	(8,384.58)
Payroll taxes payable	(119.60)
Increase (Decrease) In Working Capital	$ 401,507.88

See Accountant's Compilation Report

SHEEP CREEK WATER COMPANY
Supporting Schedules
For Balance Sheet
December 31, 2017

PROPERTY AND EQUIPMENT		
Office buildings	$	112,772.77
Building improvements		25,014.41
Building storage		17,059.29
Computer and software		20,039.67
Equipment - shop		30,502.28
Equipment - heavy		154,027.09
Furniture and fixtures		29,831.80
Vehicles		150,216.87
Lines		1,657,233.32
Line replacement		94,780.33
Meters		2,226,755.60
Tanks		2,220,172.87
Wells		1,903,911.25
Hydrants		489,194.34
Wild Horse Canyon		62,111.36
Master Plan		46,000.00
		9,239,623.25
Prior year work in progress		1,077,851.96
Total Property and Equipment	$	10,317,475.21

SHEEP CREEK WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2017
(See Accountant's Compilation Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Inventories:

Inventories consist primarily of pipe and related parts necessary for line and meter installation and are stated at the lower of cost or market using the first-in, first-out method.

Property and Equipment:

Property and equipment are stated at cost. Depreciation is computed using the straight-line method for financial reporting purposes based on the following estimated useful lives of the assets:

	Years
Buildings	20 - 25
Equipment	3 - 7
Furniture and Fixtures	3 - 10
Vehicles	3 - 7
Water System	15 - 75
Wild Horse Canyon Master Plan	20 - 45

Prepaid Assets:

Prepaid items are those expenses that are paid in the current accounting period, but which the individual asset will not be consumed or recognized until the future year. As the asset is used, it is charged to an expense account.

The Company recognizes prepaid assets for expense items as software, dues and subscriptions, insurance, property tax and equipment deposits.

Income Taxes:

Federal Tax

No provision has been made for Federal Income Taxes as the Company is a non-profit organization exempt from Federal Income Tax.

State Tax

Bank and Corporation tax code, Section 24405, states that for mutual or cooperative associations all member income and any income from nonmembers received on a non-profit basis is exempt. Section 24425, provided that expenses associated with exempt income are not deductible. Section 24437 allows expenses related to member services only to the extent of member income. Necessary adjustments are made to eliminate this income and expense. Interest income is deemed to be taxable income and does not fall under the exempt code.

2. NATURE OF BUSINESS:

The Company engages in the business of providing the service of water to its' shareholders at cost.

SHEEP CREEK WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 2017
(See Accountant's Compilation Report)

3. LONG TERM LIABILITY

The Company purchased a skiploader from CNH Industrial Capital for $91,387.56 and entered into an agreement in February 2016 for a five year payment plan with $1,382.85 per month with an interest rate of 3%.

A shareholder and the Company have entered into an agreement in July 2011 for a loan to the the Company in the amount of $400,000 at 6% over seven years with the first year's payments to be interest only and the principal to be paid over the remaining six years.
This liability is scheduled to be retired by July 2018.

A shareholder and the Company have entered into an agreement in October 2014 for a loan to the Company in the amount of $80,000 at 5% over three years with the first year's payments commencing on the first anniversay of the date of the loan and continuing thereafter on the second (2nd), third (3rd) and fourth (4th) anniversaries of the date of the Note.
This liability was retired a year early and paid in full in October 2017.

A shareholder and the Company have entered into an agreement in September 2016 for a loan to the Company in the amount of $170,000 at 6% over five years with the first year's payments to be interest only and the principal to be paid over the remaining four years.

A shareholder and the Company have entered into an agreement in December 2017 for a loan to the Company in the amount of $100,000 at 5% over five years with the first year's payments commencing on the first anniversay of the date of the loan and continuing thereafter on the second (2nd) through the fifth (5th) anniversaries of the date of the Note.

4. COMMENTS:

Due to the drop in production during the summer of 2016, the Board of Directors approved the implementation of an Electric - Drought Surcharge. The surcharge of $ .30 per HCF was implemented to recover the additional electrical charges for the additional pumping. With the expectation of lower than normal production, the Board approved to maintain the surcharge at a lower rate of $ .15 per HCF through 2017 to cover the additional electrical pumping costs.

The Board has approved continuing the electrical surcharge during 2018 at a rate of $ .15 per HCF.

The Company has been in the process of a gate valve and fire hydrant replacement program throughout the system. As the system ages, a number of gate valves have become inoperable. Several intersetions have been upgraded with the new gate valves and fire hydrants. This replacement program is planned to continue through 2019.

The Shareholders approved a three part assessment for the Phase 1 of 2 construction and implementation of Well 11. The first part of this approved assessment was set at $30 per share as of August 15, 2017. The second and third assessments are scheduled for January June of 2018.

2018

RELATIVE INFORMATION

As of May 10, 2018

PRODUCTION		2018	2017	2016	2015	
TUNNEL	is producing	124	148	174	203	GPM
WELL # 2A	is pumping	135	50	559	573	GPM
WELL # 3A	is pumping	184	225	530	678	GPM
WELL # 4A	is pumping	180	253	556	759	GPM
WELL # 5	is pumping	268	350	463	537	GPM
WELL # 8	is pumping	299	345	438	460	GPM
	TOTAL	**1190**	**1371**	**2720**	**3210**	**GPM**

STORAGE			
TANK'S # 2 & 4	428,000 x 2	856,000	GALLONS
TANK # 3		210,000	GALLONS
TANK # 5		141,000	GALLONS
TANK # 6		912,000	GALLONS
TANK # 7		1,000,000	GALLONS
TANK # 8		3,000,000	GALLONS
	TOTAL	**6,119,000**	**GALLONS**

ALL AVERAGES USAGES ARE FOR 2017

Total Production for 2017	686 Acre Feet (103 AF less than previous year)
Average through summer month's	69 Acre Feet (6 month's)
Average through winter month's	45 Acre Feet (6 month's)
Average GPM usage for summer month's	423 - 508 GPM
Average GPM usage for winter month's	267 GPM

SCWC owed PPHCSD 2.5 million gallons of water and has returned the water ahead of the 2018 summer

WELL LEVEL COMPARISONS- Levels up or down from:

Well #	1 Year Ago		2017	2 Year Ago		2016	3 Years Ago		2015
2A	DN	44	FT	DN	49	FT	DN	59	FT
3A	DN	35	FT	DN	44	FT	DN	56	FT
4A	DN	10	FT	DN	22	FT	DN	32	FT
5	DN	12	FT	DN	15	FT	DN	25	FT
8	DN	13	FT	DN	20	FT	DN	34	FT
TUNNEL	DN	24	GPM	DN	50	GPM	DN	79	GPM

At this time, well levels and production are not recovering and continue to fall.

Sheep Creek Water has an average hardness of **31 grains** between all of it's sources

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

WATER ALLOWED PER SHARE OWNED
5/1/2018

Shares Owned	Allotment	Cubic Feet Allowed	Gallons Allowed
1	1000	1000	7480
2	250	1250	9350
3	250	1500	11220
4	250	1750	13090
5	250	2000	14960
6	250	2250	16830
7	250	2500	18700
8	250	2750	20570
9	250	3000	22440
10	250	3250	24310
11	250	3500	26180
12	250	3750	28050
13	250	4000	29920
14	250	4250	31790
15	250	4500	33660
16	250	4750	35530
17	250	5000	37400
18	250	5250	39270
19	250	5500	41140
20	250	5750	43010
21	250	6000	44880
22	250	6250	46750
23	250	6500	48620
24	250	6750	50490
25	250	7000	52360

Customer can keep track of water use by reading their meter. Water bill will show previous read and when the next approximate reading date will be. Meters are calculated in cubic feet.

OVERAGE CHARGE- $3.85

1st share = 1,000 cubic feet
Remaining shares = 250 cubic feet

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May 10, 2018

Information for the Annual Shareholders Meeting

PRODUCTION:

- When compared to this time last year 2017, all static well levels are down 10 - 44 feet and compared with 2014 the levels are down 30 - 60 feet on average.
- The tunnel is currently flowing at 124 gpm with all sources producing 1,190 gpm which production is down an additional 181 gpm from last year at this time.
- Water produced in 2017- 687 acre feet or 223.8 million gallons
- Water sold in 2017- 558 acre feet 181.2 million gallons

SYSTEM PROJECTS and UPDATES

Canyon Line Replacement

The Canyon Line Replacement project was completed in 2 locations on the canyon water main. The replacement was completed by the water company's crew. The existing line remained in service during the installation of the new water main.

- The first location was located within the company's 40 acre property, consisted of the replacement of 900 feet of 10" class 75 pipe with 10" class 150 C-900 PVC. A set of isolation valves and a new fire hydrant was installed.
- The second location was located above regulator 2 and below Tank 3, consisted of replacing and installing 1,500 feet of 10" class 200 C-900 PVC and 500 feet of 8" class 200 C-900 PVC. An additional 11 isolation valves were installed along with 3 fire hydrants and 1 air valve.

The total cost of the project was $124,728

Phelan Rd & Sheep Creek Rd Line Replacement and Upgrades

With the development of the new Rite Aid at the corner of Phelan and Sheep Creek Roads, there was substantial upgrades to this area of the distribution system. 2,300 feet of old 4" steel pipe has been abandoned along with 1,350 feet of 6" steel pipe.

The following was installed for the Phelan Rd & Sheep Creek Rd Line Replacement and Upgrades:

- 3,400 feet of new 8" class 200 C-900 PVC Pipe
- 38 new Isolation Valves
- 10 new fire hydrants
- 13 existing services replaced
- 1 regulator station replaced

Well 2A Rehab and Downsize

When Well 2A was originally drilled and installed in 2012 it was designed to produce 1,200 gallons per minute with a 300 hp motor. As water levels and production dropped, the well has not been able to produce what it was designed. The well is producing between 50 – 150 gpm and the 300 hp motor was too big and pumped a significant amount of air. The Board of Directors approved to rehab the well to have it available for summer. The following was completed on the well:

- Pump and motor downsized from 300 hp to 50 hp
- Pump designed to produce 400 gpm when water is available
- Column pipe downsized from 10" to 6"
- Casing brushed and bore blasted to loosen the gravel pack

Total cost of Well 2A downsize and rehab was $86,742

Miscellaneous System Projects and Maintenance

- New 4" x 1 ½ Regulator Station Installed
- 2- Fire Hydrants Replaced
- 7- Broken Gate Valves Replaced
- 1- Regulator Vault Replaced
- 49- Meters Replaced
- 9- Meters Services Installed (8 Previously Paid)
- 11 Service Lines Replaced
- 18- System Leaks Repaired

Total cost of System Projects and Maintenance was $78,815

ANNUAL MEETING NEW BUSINESS ITEMS

IV. a.) Information Only- Rates

During the Board of Directors Regular Budget meeting in December 2017, the Board discussed the current rates.

The Board approved the following:

- The base rate will remain at the current $55 per month.
- The allotment water rate will be set at $0.50 per hundred cubic foot within your allotment all year.
- The overage charges will increase by 10%, current charge $3.85 per hundred cubic foot over your allotment.
- The drought/electric sur-charge will remain until December 2018.
- The assessment for the Well #11 project will be set at once per year.

With the current rates, this will allow for the company to increase upgrades to the water system and also allow for additional well maintenance.
Upgrades to the water system are to include:

- Continued replacement of old water mains
- Replacement of old Gate Valves, Fire Hydrants
- Meter upgrades and service line replacements.
- Estimated $60,000 a year for well maintenance and well rehab

IV. b.) New Well #11

The past several years, Sheep Creek Water Company continues to face severe drought conditions due to ongoing dry years. The State Water Resource Control Board is requiring Sheep Creek to develop additional sources of water separate from the Wrightwood well field. The Sheep Creek Board is committed to developing additional sources of water for the Shareholders.

Sheep Creek Water Company
Annual Shareholder's Meeting

In September 2016 the Board of Directors approved to begin moving forward with the Well #11 project. The Board presented the project to the Shareholders in May 2017 for approval. Along with approval of the project was approval of assessments to pay the cost of the project. The original estimate of the project was 1.1 million dollars. The company retained a consultant to begin the CEQA documents. Once the CEQA documents were prepared, the company had a delay in obtaining a Lead Agency for the CEQA process. The County of San Bernardino took the Lead for the CEQA and the process began in June 2017. During the comment period there was four responses with one being the San Manuel Band of Mission Indians. The mitigation process took an additional four months longer than expected. The CEQA documents were tentatively approved in December 2017 and the mitigation process was completed in March of 2018. Once the documents were approved, the well drilling contractor was scheduled. The drilling contractor began work on site at the end of March 2018 and began drilling on April 5th 2018. During the CEQA process, the company completed a property contract, obtain required permits and environmental plans. When it is determined that the well will be viable, the property will be purchased. If the well is not viable, the property will be brought back to its previous state and returned to the property owner with a water service installed.

As of May 14th 2018, the well has been drilled to 1,500', the casing has been installed and gravel packed. The drilling contractor has swabbed and airlifted the perforated zones to remove all the drilling mud from the formation and begin development. The drilling contractor completed 3 passes of airlifting and is moving equipment off site. Test pump equipment will be brought on site to begin well development. During this time, the Company's crew is preparing to install nearly 5,500 feet of 8" line, valves and hydrants.

The first round of assessment collections began in August 2017. Two of three assessments have been collected for the drilling and test pumping of the well. Once the well is test pumped, the production and water quality will determine the remainder of the project. Once the project is determined, the Board will schedule the remaining assessments to complete the project. The Board is committed to completing this project as quickly as possible and keeping cost as low as possible.

WATER CONSERVATION:

Sheep Creek's well levels and production have seen minimal recharge during the winter months. The well levels and production are lower at this time than they were at this time last year and continue to fall. Conservation requirements will continue to be in place with the possibility of additional requirement's to come.

Due to the current water situation and continued drop in well production, the Board of Directors has lowered the allotment beginning May 2018 billing. The allotment will be 1,000 cubic feet for the first share on the account and 250 cubic feet for the remaining shares. Overage charges will increase as the Board sees necessary to discourage water use over the allotment.

		Estimate Remaining to Complete Well #11
Meetings, notifications administrative expenses		**$10,000**
Assessment collections		**Add Cost per Assessment**
Property purchase	$45,000	**$55,000**
Legal/Escrow Expenses	$10,000	
Drill test hole to determine well viability		
Drill 1,500 foot 14" well with Ful-Flo Louver Casing		**$418,500**
Well Development, test pump		**$41,500**
Vertical turbine motor, pump, column pipe, tube and shaft		**$180,000**
Onsite Pipe Work & Well Head Pipe Work		**$100,000**
Electrical equipment, conduit wiring		**$160,000**
SCE Electrical Service & Meter Panels	$65,000	
VFD cabinet and control	$55,000	
Conduit, wiring, labor	$40,000	
Site work		**$55,000**
Grading and Concrete work	$15,000	
Environmental protection	$10,000	
Fencing	$30,000	
Offsite Pipeline Upgrades Excluding Material Purchased as April 2018		**$200,000**
Engineering	$75,000	
Permits/Surveying	$10,000	
Road cutting and repairs	$10,000	
4,000'- 8" C-900 plus valves and fittings	$80,000	
Labor & Equipment	$25,000	
Unforeseen/Miscellaneous Cost 10%		**$122,000**
At this time possible water quality mitigation cost are unknown.		
TOTAL SMOKETREE WELL PROJECT ESTIMATE-		**$1,342,000**
Total Assessments Collected to Date		$460,000
Estimate to Complete Project		**$882,000**
Remaining Assessment per Share (excluding interest for loan)		**$111**
Assessment Collection Fees per Assessment per Share per Assessment		**$1.50**
Estimated Interest for 5 year Loan at 8%		**$223,000**
Total Assessment per Share (including interest for loan)		**$138**
$30 per Share per Year Times 5 Years - Including Interest and Fees		**$150**

Cost may be increased or reduced depending on volume of water and water quality

ADDITIONAL WATER SOURCE PROJECT- WELL 11 Drilling

The installation of Sheep Creek Water Company's Well 11 was approved by the Shareholders at the Annual Shareholder Meeting in May 2017. The Board of Directors have been pushing to complete this project. The Board of Directors approved to begin the CEQA process in October 2016. The CEQA was approved in April 2018 following the approval of several mitigation measures.

The Board approved the well drilling contractor Layne from Redlands, California. Layne drilled Sheep Creek's Well 3A in 2001. Once Layne received the drilling permit from Environmental Health, they began work on March 28, 2018. The well is drilled by reverse circulation method, which requires the hole to be full of water the entire time during drilling.

The following is a progress timeline of the Drilling of Well 11:

March 30- 30 inch by 52 foot deep conductor casing was installed and cemented.

April 2-4- Equipment hauled on site, drilling rig setup.

April 5- Begin drilling 17.5" pilot hole. 24 hour operation.

April 6- Depth 265' Drilling Average 10' per Hour.

April 7- Depth 415' Drilling Average 6' per hour.

April 8- Depth 495' Drilling Average 5' per hour.

April 9- Depth 575' Drilling Average 5' per hour, changed drill bit.

April 10- Depth 670' Drilling Average 5' per hour.

April 11- Depth 752' Drilling Average 3' - 10' per hour, added 2 additional drill collars.

April 12- Depth 896' Drilling Average 6' per hour.

April 13- Depth 1,025' Drilling Average 6' per hour.

April 14- Depth 1,150' Drilling Average 5' per hour.

April 15- Depth 1,230' Drilling Average dropped to 3' per hour, changed drill bit.

April 16- Depth 1,335' Drilling Average 7' per hour.

April 17- Depth 1,485' Drilling Average 6' per hour, completed pilot hole around noon 1,520' ran E-Log.

April 18- Layne completing well design for casing and gravel pack, 26" bore hole will begin next week.

April 23- Depth 87', Layne began boring 26" hole for casing.

April 24- Depth 350' Drilling Average 10' per hour.

April 25- Depth 551' Drilling Average 4' per hour, welders prepping casing for next week.

April 26- Depth 701' Drilling Average 6' per hour.

April 27- Depth 840' Drilling Average 7' per hour, at depth of 870' bit will be changed to 24" due to 14" casing being installed on bottom half of well.

April 28- Depth 930' Drilling Average 8' per hour, currently boring 24" hole for 14" screen casing. Gravel pack material scheduled to be delivered on Monday.

April 29- Depth 1,125' Drilling Average 8' per hour, all blank casing on site waiting for screen casing.

April 30- Depth 1,293' Drilling Average 8' per hour, welders prepping casing.

May 1- Depth 1,424' Drilling Average 5' per hour, total depth by midnight. Gravel pack material on site, 14" screen to be delivered today.

May 2- Depth 1,500' Run Caliper Log for hole diameter before casing. Casing installation to begin at 1:00pm.

May 3- Installation of casing completed late Wednesday night. 1,100' of gravel pack material installed. Concrete for sanitary seal scheduled for late Thursday or early Friday pending completion of gravel pack.

May 4- Cut casing down to length, begin removing drilling fluid from well.

May 5- Begin swabbing and airlift screen sections at 40 minutes per 10'.

May 8- PFD soaking in well, will begin second pass of swab and airlift at midnight.

May 9- Airlift well, removing drilling fluid, water cleaning up.

May 10- Continue airlift, take water samples to check for chromium 6, arsenic, and fluoride.

May 11- Beginning a third pass of airlifting in perforated zones, begin at 900' and work 30' sections down to 1,480'. Should begin rigging down Monday. Static Water Level 930'

May 13- Completed third pass of airlifting.

May 14- Begin rigging down and move offsite. Water samples will be taken to lab to check for chromium 6, arsenic and fluoride. Static water level 910'

WELL PRODUCTION DECLINING

PLEASE CUT WATER USE

CURRENT ALLOTMENT

1,000 CUBIC FEET FOR 1st SHARE

250 CUBIC FEET FOR REMAINING SHARES

CURRENT OVERAGE CHARGE- $3.85 per HCF

OUTDOOR WATERING LIMITED TO 2 DAYS PER WEEK

Sheep Creek Water Company
4200 Sunnyslope Rd.
P.O. Box 291820
Phelan, CA 92329-1820
Office (760) 868-3755/Fax (760) 868-2174
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March 1, 2018

ALLOTMENT UPDATE

Dear Shareholders and Customers,

Sheep Creek Water Company (SCWC) continues to experience drought conditions and our well levels have not fully recovered from the summer of 2016. During the Annual Shareholders Meeting on May 13, 2017, the Shareholders approved to drill a new well for a secondary water source. The new Well #11 is scheduled to begin drilling in March 2018.

Due to our drought conditions, the Board of Directors approved to lower the allotment to **250 cubic feet** of water for all shares with the first share on the account to remain at 1,000 cubic feet. The lower allotment will go into effect after the April 2018 meter reading for the May billing. Also note, there may be an increase in overage charge to $4.25 per HCF to discourage water usage over your allotment; please be water wise.

The following water restrictions remain in effect:

1.) **Restrict outdoor watering to 2 days per week.**
2.) **The use of potable water to wash sidewalks and driveways is prohibited.**
3.) **Allowing water runoff when irrigating with potable water is prohibited.**
4.) **Using hoses without shutoff nozzles to wash cars is prohibited.**
5.) **Irrigating outdoors during and within 48 hours following rainfall is prohibited.**
6.) **The Board may increase overage charges and decrease allotment as needed.**
7.) **All outside irrigation may become prohibited.**

We ask all of our Customers to work together to help conserve. It is recommended to check your property for leaks and check irrigation systems. Please forward these restrictions and allotment changes to tenants who use your water; the property owner is responsible for all water use. For additional information, please visit the website at *www.sheepcreekwater.com*.

The Staff and Board of Directors greatly appreciate your help and patience on getting through these dry times.

Sincerely,

Chris Cummings
General Manager
Sheep Creek Water Company

SHEEP CREEK WATER COMPANY

CONSERVATION KITS AVAILABLE

KIT INCLUDES THE FOLLOWING:

- Toilet leak tablets- additional tablets available in the office
- Toilet tank bank
- Shower timer- 5 minutes
- Kitchen sink aerator
- 2- Bathroom sink aerator
- Chrome showerhead
- Conservation materials

KITS ALSO AVAILABLE FOR CHILDREN

ONE KIT PER HOUSEHOLD

AVAILABLE AT THE COMPANY OFFICE

PLEASE CONTINUE TO CONSERVE WATER

Sheep Creek Water Company
4200 Sunnyslope Rd.
P.O. Box 291820
Phelan, CA 92329-1820
Office (760) 868-3755/Fax (760) 868-2174
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January 2018

CONSERVATION KITS AND INFORMATION

Dear Customer,

Sheep Creek Water Company would like to thank you for your interest in the available conservation material. Sheep Creek is reaching out to customers on the importance of making conservation a way of life. With the much needed rain and snow that California has received over the past few months, parts of California are is still facing drought conditions. Unfortunately, due to the locations of the Sheep Creeks water source, our water company continues to face drought conditions. When we receive snow, it typically takes around 18 months before the water reaches the water table that the wells produce from.

With continued growth in the High Desert, we need to make conservation a way of life to help protect our water for the future. Sheep Creek Water Company has put together some conservation material to help your household reduce water use where possible. One kit is available per household.

CONSERVATION KIT INCLUDES:

- Toilet leak tablets- additional tablets available in the office
- Toilet tank bank
- Shower timer- 5 minutes
- Kitchen sink aerator
- 2- Bathroom sink aerator
- Chrome showerhead
- Conservation materials

Conservation coloring kit is also available for children. Please continue to find ways to conserve water both indoors and outdoors.

Thank You for your continued help with cutting water use

Chris Cummings
General Manger
Sheep Creek Water Company

"CONSERVATION A Way of Life"

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CONSERVATION KIT REQUEST

CUSTOMER NAME: _____

SERVICE ADDRESS: _____

PHONE NUMBER: _____

CUSTOMER SIGNATURE: _____

1 Kit available per household.

Additional kits may be purchased for $12.75

Number of kits _____

Total cost _____

"CONSERVATION A Way of Life"

PRODUCTION 5 - YEAR RECAP

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	TOTAL	TOTAL	
2018	3%	0%	-32%	-6%												Reduction compared to 2016
	-27%	-20%	-41%	-25%									GALLS	CU.FT.	A.F.	Reduction compared to 2013
Tunnel	5,879,088	5,204,909	5,674,190	5,428,987									**22,187,174**	**2,966,200**	**68.08**	
Well # 2A	0	0	238,000	1,682,000									**1,920,000**	**256,684**	**5.89**	
Well # 3A	0	0	11,000	157,000									**168,000**	**22,460**	**0.52**	
Well # 4A	123,000	157,000	255,000	1,458,000									**1,993,000**	**266,444**	**6.12**	
Well # 5	3,559,000	4,031,000	3,129,000	5,518,000									**16,237,000**	**2,170,722**	**49.82**	
Well # 8	3,971,000	4,511,000	3,531,000	5,312,000									**17,325,000**	**2,316,176**	**53.16**	
PPHCSD	0	0	0										**0**	**0**	**0.00**	
TOTAL G	**13,532,088**	**13,903,909**	**12,838,190**	**19,555,987**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**59,830,174**	**7,998,686**	**183.58**	
TOTAL CF	1,809,103	1,858,811	1,716,336	2,614,437	0	0	0	0	0	0	0	0			Total Reduction= 3%	
TOTAL AF	**41.52**	**42.66**	**39.39**	**60.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**59.83**			
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	5,860,915	6,590,203	6,468,984	6,579,043	6,284,000	6,397,805	6,255,850	5,989,982	6,108,091	5,865,005	5,960,779	**74,930,772**	**10,017,483**	**229.92**	
Well # 2A	18,000	23,000	0	0	19,000	168,000	36,000	10,000	9,000	8,000	0	0	**291,000**	**38,904**	**0.89**	
Well # 3A	3,727,000	5,786,000	7,405,000	6,194,000	6,006,000	5,728,000	4,964,000	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	5,182,000	3,992,000	4,054,000	**40,500,000**	**5,414,439**	**124.27**	
Well # 8	28,000	26,000	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**	**15,687,203**	**18,485,984**	**21,655,043**	**22,626,000**	**25,494,805**	**24,433,850**	**21,615,982**	**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	2,097,220	2,471,388	2,895,059	3,024,866	3,408,396	3,266,557	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%	-25%	-34%	-37%	-26%	-21%	GALLS	CU.FT.	A.F.	Reduction compared to 2013
Tunnel	8,211,082	7,599,067	7,907,083	7,593,998	7,591,925	7,261,013	7,365,600	7,221,859	6,873,984	6,987,946	6,655,003	6,717,874	**87,986,434**	**11,762,892**	**269.98**	
Well # 2A	16,000	27,000	3,393,000	4,281,000	6,731,000	3,365,000	3,066,000	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	1,692,000	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	2,932,000	3,056,000	1,504,000	220,000	17,000	16,000	18,000	**7,948,000**	**1,062,567**	**24.39**	
Well # 5	4,831,000	6,174,000	7,368,000	7,135,000	7,324,000	6,861,000	8,024,000	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	7,963,000	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	4,060,000	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	1,758,968	1,856,426	2,507,230	2,776,871	3,503,466	4,785,563	4,280,294	3,815,757	2,898,527	2,399,057	2,069,118	1,732,336			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%	-18%	-13%	-24%	-32%	-35%	-23%	-17%	-24%	-23%	-12%	GALLS	CU.FT.	A.F.	Reduction compared to 2013
Tunnel	11,454,624	10,236,038	11,083,219	8,772,192	9,099,864	9,244,800	9,410,112	9,106,560	8,674,560	8,768,189	8,335,872	8,424,907	**112,610,937**	**15,054,938**	**345.54**	
Well # 2A	0	346,000	2,603,000	5,592,000	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	6,689,000	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**	**24,361,864**	**26,170,800**	**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	2,206,140	2,055,767	2,762,021	3,117,552	3,256,934	3,498,770	3,362,849	3,943,524	3,636,171	2,904,838	2,130,865	1,922,581	duction= -20%			
TOTAL AF	**50.63**	**47.18**	**63.39**	**71.55**	**74.75**	**80.30**	**77.18**	**90.51**	**83.46**	**66.67**	**48.91**	**44.13**	**260.29**			
2014													GALLS	CU.FT.	A.F.	
Tunnel	13,525,027	12,058,099	13,130,856	12,582,000	12,798,000	12,226,896	12,471,077	12,305,016	11,772,864	11,942,986	11,467,008	11,593,901	**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	1,792,000	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	6,318,000	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	1,619,000	1,185,000	1,441,000	1,057,000	8,972,000	1,192,000	0	0	**24,245,000**	**3,241,310**	**74.39**	
Well # 5	154,000	0	1,293,000	22,000	28,000	0	31,000	106,000	1,301,000	2,124,000	310,000	0	**5,369,000**	**717,781**	**16.47**	
Well # 8	4,820,900	5,362,900	4,790,000	7,081,200	1,936,100	819,200	1,412,500	609,000	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**	**35,636,096**	**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	3,484,519	4,367,393	4,764,184	5,328,954	4,734,227	4,458,979	3,645,827	2,928,744	2,016,965				
TOTAL AF	**57.16**	**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	15,890,947	15,116,112	15,365,088	14,663,808	14,853,067	14,683,882	13,964,832	14,208,912	13,624,848	13,662,072	**177,212,102**	**23,691,457**	**543.76**	
Well # 2A	91,000	1,100,000	8,556,000	11,600,000	16,524,000	19,637,000	19,240,000	16,860,000	0	652,000	0	0	**94,260,000**	**12,601,604**	**289.23**	
Well # 3A	16,000	0	0	0	368,000	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	11,059,000	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**	**32,257,088**	**38,431,808**	**38,982,067**	**38,351,382**	**32,623,632**	**28,421,712**	**20,822,848**	**16,369,172**	**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	5,211,506	5,127,190	4,361,448	3,799,694	2,783,803	2,188,392				
TOTAL AF	**55.51**	**52.95**	**77.41**	**81.98**	**98.98**	**117.93**	**119.61**	**117.68**	**100.10**	**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%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-64%	Reduction with 2016
	-15%	-23%	-33%	-41%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-76%	Reduction with 2013
Cons'n CCF	15,360	14,461	12,701	18,206										
Cons'n GPM	257	268	213	315	0	0	0	0	0	0	0	0	88	
Cons'n A.F.	35.262	33.198	29.157	41.796	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Ave GPDPP	110.271	110.9783	91.18204	130.7055	0	0	0	0	0	0	0	0	443.137	
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	35.066	47.653	55.443	59.196	59.945	69.585	50.885	50.420	45.713	35.785	558.381	
Ave GPDPP	79.84039	72.42364	109.6603	149.0216	173.384	185.1199	187.4607	217.6087	159.1277	157.6749	142.9534	111.907	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	96.90107	123.0758	150.1521	163.3402	209.545	304.198	255.5317	255.9861	189.389	142.5671	139.4859	94.07063	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	112.6103	112.7942	146.9696	212.7235	192.1062	221.1672	215.8578	225.2065	239.5324	181.9625	129.5224	129.0481	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	
													46.76357	
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	36,639	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	

msexcel/10 Year Consumption

AVERAGE GALLONS PER MINUTE
7 YEAR RECAP

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
2018	-40%	-27%	-16%	-12%									Compare 2017
Tunnel	131	129	127	125									
Well # 2A	0	150	175	135									
Well # 3A	115	211	122	195									
Well # 4A	199	213	251	194									
Well # 5	286	289	297	279									
Well # 8	320	325	337	317									
TOTAL G	**1,051**	**1,317**	**1,309**	**1,245**	**0**	**0**	**0**	**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	256	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	468	463	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	196	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	586	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	361	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	886	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	875	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**	

SHEEP CREEK WATER COMPANY
WATER ACQUISITION PROJECT
COST AS OF APRIL 2018

DATE	VENDOR	DESCRIPTION	COST	
Dec-04	Geo Consultants	Hydraulic study of area in Los Angeles County south of the CA Aqueduct	$8,300.00	Retainer
Apr-05	Geo Consultants	Completion from above	$16,700.00	
Oct-05	Dave Roberts	Solicitation letters for LA County property	$300.00	
Nov-05	Cimarron Escrow	Deposit on LA County property APN 3089-012-004	$1,000.00	
Nov-05	Cimarron Escrow	Deposit on LA County property APN 3089-012-008	$1,000.00	
Dec-05	Dave Roberts	Solicitation letters for LA County property	$250.00	
Jan-06	Dave Roberts	Escrow for LA County properties	$450.00	
Jan-06	Union Bank	Purchase for LA County Property APN 3089-012-008	$20,151.97	
Jan-06	Union Bank	Purchase for LA County Property APN 3089-012-004	$20,231.76	
Mar-06	Geo Consultants	Hydraulic study of new LA County properties APN 3089-012-004 & 008	$12,600.00	
	Gresham Savage Nolan	Antelope Valley Litigation	$1,088.50	
Jun-06	LA County Health Dept	Well Permit	$320.00	
Jul-06	Gresham Savage Nolan	Antelope Valley Litigation	$1,798.00	
Aug-06	Gresham Savage Nolan	Antelope Valley Litigation	$70.00	
Oct-06	Circle Mtn Biological- Environmental Report		$640.52	
Nov-06	Gresham Savage Nolan	Antelope Valley Litigation	$6,210.00	
Dec-06	Gresham Savage Nolan	Antelope Valley Litigation	$6,995.00	
Jan-07	Gresham Savage Nolan	Antelope Valley Litigation	$2,645.60	
Feb-07	Gresham Savage Nolan	Antelope Valley Litigation	$3,195.00	
Mar-07	Gresham Savage Nolan	Antelope Valley Litigation	$4,265.00	
	Desert Design	Water Truck Rental- Compaction	$1,625.00	
	United Rentals- Silt Fence		$64.65	
Apr-07	United Rentals- Silt Fence		$64.65	
	Desert Design	Water for Drilling	$4,810.00	
	H20 to Go	Water for Drilling	$2,310.00	
May-07	Gresham Savage Nolan	Antelope Valley Litigation	$8,490.00	
	Farm Pump & Irrigation	Drill & Case 850' Well # 10	$134,273.00	
	Gresham Savage Nolan	Antelope Valley Litigation	$5,310.00	
Jun-07	Inland Water Works	Well Head	$282.31	
	Farm Pump & Irrigation	Test Pump	$29,406.28	
	Gresham Savage Nolan	Antelope Valley Litigation	$8,979.50	
	AMEC Earth & Environmental- Biological Monitoring		$1,068.80	
	Webb & Associates	Environmental Work	$4,649.00	
Jul-07	Gresham Savage Nolan	Antelope Valley Litigation	$12,048.00	
Aug-07	Gresham Savage Nolan	Antelope Valley Litigation	$9,030.54	
Sep-07	Gresham Savage Nolan	Antelope Valley Litigation	$6,656.75	
Oct-07	Webb & Associates	Environmental Work	$3,969.30	
	Gresham Savage Nolan	Antelope Valley Litigation	$10,706.70	
Nov-07	Gresham Savage Nolan	Antelope Valley Litigation	$19,206.50	
Nov-07	Site Survey- Survey County Line		$800.00	
	Webb & Associates	Environmental Work	$1,777.11	
Dec-07	Gresham Savage Nolan	Antelope Valley Litigation	$9,325.86	
	Webb & Associates	Environmental Work	$1,645.00	
Jan-08	Gresham Savage Nolan	Antelope Valley Litigation	$13,369.50	
	Webb & Associates	Environmental Work	$1,691.36	
Feb-08	Gresham Savage Nolan	Antelope Valley Litigation	$22,034.25	
	Webb & Associates	Environmental Work	$233.41	
	Circle Mtn Biological- Updated Environmental Report		$1,626.05	
	AMEC Earth & Environmental- Biological Monitoring		$2,131.20	
Mar-08	Webb & Associates	Environmental Work	$3,005.15	
	Gresham Savage Nolan	Antelope Valley Litigation	$14,704.75	
Apr-08	Webb & Associates	Environmental Work	$796.50	
	Gresham Savage Nolan	Antelope Valley Litigation	$18,326.87	
May-08	Webb & Associates	Environmental Work	$0.00	
	Gresham Savage Nolan	Antelope Valley Litigation	$10,974.68	

SHEEP CREEK WATER COMPANY
WATER ACQUISITION PROJECT
COST AS OF APRIL 2018

DATE	VENDOR	DESCRIPTION	COST
Jun-08	Webb & Associates	Environmental Work	$184.00
	Gresham Savage Nolan	Antelope Valley Litigation	$6,587.43
Jul-08	Gresham Savage Nolan	Antelope Valley Litigation	$12,705.70
Aug-08	Gresham Savage Nolan	Expert Witness Deposit	$2,500.00
	Gresham Savage Nolan	Antelope Valley Litigation	$15,259.78
Sep-08	Gresham Savage Nolan	Antelope Valley Litigation	$42,260.41
Oct-08	Gresham Savage Nolan	Antelope Valley Litigation	$31,618.58
	Gresham Savage Nolan	Expert Witness	$37,570.00
Nov-08	Gresham Savage Nolan	Expert Witness	$6,095.00
	Gresham Savage Nolan	Antelope Valley Litigation	$22,571.02
Dec-08	Gresham Savage Nolan	Antelope Valley Litigation	$12,353.68
Jan-09	Gresham Savage Nolan	Antelope Valley Litigation	$5,566.95
Feb-09	Gresham Savage Nolan	Antelope Valley Litigation	$11,853.81
Mar-09	Gresham Savage Nolan	Antelope Valley Litigation	$7,212.50
Apr-09	Gresham Savage Nolan	Antelope Valley Litigation	$4,768.50
May-09	Gresham Savage Nolan	Antelope Valley Litigation	$32,430.00
Jun-09	Gresham Savage Nolan	Antelope Valley Litigation	$9,141.07
Jul-09	Gresham Savage Nolan	Antelope Valley Litigation	$4,040.00
Aug-09	Gresham Savage Nolan	Antelope Valley Litigation	$2,515.00
Sep-09	Gresham Savage Nolan	Antelope Valley Litigation	$2,500.00
Oct-09	Round Table Group	Expert Witness	$1,750.00
	Round Table Group	Expert Witness	$13,585.00
Oct-09	Gresham Savage Nolan	Antelope Valley Litigation	$5,702.00
Nov-09	Gresham Savage Nolan	Antelope Valley Litigation	$2,326.50
Dec-09	Gresham Savage Nolan	Antelope Valley Litigation	$996.00
Dec-09	Round Table Group	Deposit Refund	-$5,000.00
Jan-10	Gresham Savage Nolan	Antelope Valley Litigation	$5,028.00
Feb-10	Gresham Savage Nolan	Antelope Valley Litigation	$5,958.00
Mar-10	Gresham Savage Nolan	Antelope Valley Litigation	$7,795.83
Apr-10	Gresham Savage Nolan	Antelope Valley Litigation	$125.88
May-10	Gresham Savage Nolan	Antelope Valley Litigation	$961.00
Jun-10	Gresham Savage Nolan	Antelope Valley Litigation	$1,542.50
Jul-10	Gresham Savage Nolan	Antelope Valley Litigation	$6,514.00
Aug-10	Gresham Savage Nolan	Antelope Valley Litigation	
Sep-10	Gresham Savage Nolan	Antelope Valley Litigation	$2,878.36
Oct-10	Gresham Savage Nolan	Antelope Valley Litigation	$1,941.17
Nov-10	Gresham Savage Nolan	Antelope Valley Litigation	$5,732.50
Dec-10	Gresham Savage Nolan	Antelope Valley Litigation	$2,992.00
Jan-11	Gresham Savage Nolan	Antelope Valley Litigation	$1,346.83
Feb-11	Gresham Savage Nolan	Antelope Valley Litigation	$1,874.00
Mar-11	Gresham Savage Nolan	Antelope Valley Litigation	$9,662.16
Apr-11	Gresham Savage Nolan	Antelope Valley Litigation	$4,356.50
May-11	Gresham Savage Nolan	Antelope Valley Litigation	$2,696.50
Jun-11	Gresham Savage Nolan	Antelope Valley Litigation	$4,087.34
Jul-11	Gresham Savage Nolan	Antelope Valley Litigation	$8,476.00
Aug-11	Gresham Savage Nolan	Antelope Valley Litigation	$8,810.29
Sep-11	Gresham Savage Nolan	Antelope Valley Litigation	$1,102.90
Oct-11	Gresham Savage Nolan	Antelope Valley Litigation	$3,083.33
Nov-11	Gresham Savage Nolan	Antelope Valley Litigation	$8,101.35
Dec-11	Gresham Savage Nolan	Antelope Valley Litigation	$5,647.40
Jan-12	Gresham Savage Nolan	Antelope Valley Litigation	$4,848.75
Feb-12	Gresham Savage Nolan	Antelope Valley Litigation	$6,047.09
Mar-12	Gresham Savage Nolan	Antelope Valley Litigation	$2,249.40
Apr-12	Gresham Savage Nolan	Antelope Valley Litigation	$7,755.07
May-12	Gresham Savage Nolan	Antelope Valley Litigation	$3,897.32
Jun-12	Gresham Savage Nolan	Antelope Valley Litigation	$2,038.22
Jul-12	Gresham Savage Nolan	Antelope Valley Litigation	$1,749.90
Aug-12	Gresham Savage Nolan	Antelope Valley Litigation	$815.10
Sep-12	Gresham Savage Nolan	Antelope Valley Litigation	$5,557.00
Oct-12	Gresham Savage Nolan	Antelope Valley Litigation	$6,853.82
Nov-12	Gresham Savage Nolan	Antelope Valley Litigation	$10,172.21
Dec-12	Gresham Savage Nolan	Antelope Valley Litigation	$7,802.20
Jan-13	Gresham Savage Nolan	Antelope Valley Litigation	$12,686.86
Feb-13	Gresham Savage Nolan	Antelope Valley Litigation	$2,138.40
Mar-13	Gresham Savage Nolan	Antelope Valley Litigation	$7,236.46
Apr-13	Gresham Savage Nolan	Antelope Valley Litigation	$4,141.80
May-13	Gresham Savage Nolan	Antelope Valley Litigation	$15,439.34
Jun-13	Gresham Savage Nolan	Antelope Valley Litigation	$4,253.80
Jul-13	Gresham Savage Nolan	Antelope Valley Litigation	$5,402.08
Aug-13	Gresham Savage Nolan	Antelope Valley Litigation	$2,014.50
Sep-13	Gresham Savage Nolan	Antelope Valley Litigation	$8,234.00
Oct-13	Gresham Savage Nolan	Antelope Valley Litigation	$6,474.50
Nov-13	Gresham Savage Nolan	Antelope Valley Litigation	$6,440.40
Dec-13	Gresham Savage Nolan	Antelope Valley Litigation	$3,451.50

SHEEP CREEK WATER COMPANY
WATER ACQUISITION PROJECT
COST AS OF APRIL 2018

DATE	VENDOR	DESCRIPTION	COST
Jan-14	Gresham Savage Nolan	Antelope Valley Litigation	$6,081.00
Feb-14	Gresham Savage Nolan	Antelope Valley Litigation	$7,371.00
Mar-14	Gresham Savage Nolan	Antelope Valley Litigation	$8,670.80
Apr-14	Gresham Savage Nolan	Antelope Valley Litigation	$5,427.80
May-14	Gresham Savage Nolan	Antelope Valley Litigation	$3,442.60
Jun-14	Gresham Savage Nolan	Antelope Valley Litigation	$4,693.40
Jul-14	Gresham Savage Nolan	Antelope Valley Litigation	$4,247.00
Aug-14	Gresham Savage Nolan	Antelope Valley Litigation	$4,233.80
Sep-14	Gresham Savage Nolan	Antelope Valley Litigation	$3,988.50
Oct-14	Gresham Savage Nolan	Antelope Valley Litigation	$2,814.40
Nov-14	Gresham Savage Nolan	Antelope Valley Litigation	$3,425.00
Dec-14	Gresham Savage Nolan	Antelope Valley Litigation	$4,391.00
Jan-15	Gresham Savage Nolan	Antelope Valley Litigation	$2,071.40
Feb-15	Gresham Savage Nolan	Antelope Valley Litigation	$938.10
Mar-15	Gresham Savage Nolan	Antelope Valley Litigation	$5,625.00
Apr-15	Gresham Savage Nolan	Antelope Valley Litigation	$6,984.73
May-15	Gresham Savage Nolan	Antelope Valley Litigation	$3,810.80
Jun-15	Gresham Savage Nolan	Antelope Valley Litigation	$4,570.30
Jul-15	Gresham Savage Nolan	Antelope Valley Litigation	$7,190.00
Aug-15	Gresham Savage Nolan	Antelope Valley Litigation	$3,384.60
Sep-15	Gresham Savage Nolan	Antelope Valley Litigation	$8,538.10
Oct-15	Gresham Savage Nolan	Antelope Valley Litigation	$5,391.44
Nov-15	Gresham Savage Nolan	Antelope Valley Litigation	$5,113.40
Dec-15	Gresham Savage Nolan	Antelope Valley Litigation	$4,608.60
Jan-16	Gresham Savage Nolan	Antelope Valley Litigation	$3,908.90
Feb-16	Gresham Savage Nolan	Antelope Valley Litigation	$2,455.50
Mar-16	Gresham Savage Nolan	Antelope Valley Litigation	$2,237.10
Apr-16	Gresham Savage Nolan	Antelope Valley Litigation	$1,595.80
May-16	Gresham Savage Nolan	Antelope Valley Litigation	$194.00
Jun-16	Gresham Savage Nolan	Antelope Valley Litigation	$544.00
Jul-16	Gresham Savage Nolan	Antelope Valley Litigation	$339.50
Aug-16	Gresham Savage Nolan	Antelope Valley Litigation	$935.83
Sep-16	Gresham Savage Nolan	Antelope Valley Litigation	$94.00
Oct-16	Gresham Savage Nolan	Antelope Valley Litigation	$0.00
Nov-16	Gresham Savage Nolan	Antelope Valley Litigation	$0.00
Dec-16	Gresham Savage Nolan	Antelope Valley Litigation	$0.00
Jan-17	Gresham Savage Nolan	Antelope Valley Litigation	$533.50
Feb-17	Gresham Savage Nolan	Antelope Valley Litigation	$242.50
Mar-17	Gresham Savage Nolan	Antelope Valley Litigation	$0.00
Apr-17	Gresham Savage Nolan	Antelope Valley Litigation	$97.00
May-17	Gresham Savage Nolan	Antelope Valley Litigation	$0.00
Jun-17	Gresham Savage Nolan	Antelope Valley Litigation	$145.50
Jul-17	Gresham Savage Nolan	Antelope Valley Litigation	$0.00
Aug-17	Gresham Savage Nolan	Antelope Valley Litigation	$470.50
Sep-17	Gresham Savage Nolan	Antelope Valley Litigation	$210.50
Oct-17	Gresham Savage Nolan	Antelope Valley Litigation	$438.50
Nov-17	Gresham Savage Nolan	Antelope Valley Litigation	$971.50
Dec-17	Gresham Savage Nolan	Antelope Valley Litigation	$1,006.00
Jan-18	Gresham Savage Nolan	Antelope Valley Litigation	$1,414.20
Feb-18	Gresham Savage Nolan	Antelope Valley Litigation	$757.60
Mar-18	Gresham Savage Nolan	Antelope Valley Litigation	$1,686.00
Apr-18	Gresham Savage Nolan	Antelope Valley Litigation	$2,004.00

Engineering	**$19,576.88**
Well #10	**$176,996.41**
Attorney Fees	**$862,048.19**
Total	**$1,103,009.84**

SHEEP CREEK WATER COMPANY DATE 5-10-18

Well Number	Date	Year Well Drilled/ Serviced	Total Well Depth Ft	Pump Depth Ft	Static Level Ft	Pumping Level Ft	Water above Pump Pumping Ft	Water above Pump Static Ft	Draw Down	Yield Gallons per Foot	GPM 24 Hour Average	
	May-15											
2A	300hp	2011	725	680	260	295	**385**	**420**	35	650	650	55hz
3A	100hp	2002	500	460	244	262	**198**	**216**	18	693	693	54hz
4A	150hp	2004	500	440	268	290	**150**	**172**	22	760	760	54hz
5	60hp	2015	513	427	273	285	**142**	**154**	12	551	551	55hz
8	150hp	2004	480	420	296	310	**110**	**124**	14	463	463	49.5hz
10 LA		2007	860	0	397.1	0	**0**	**0**	0	0	0	
	May-16											3,117
2A	300hp	2011	725	680	270	295	**385**	**410**	25	559	559	55hz
3A	100hp	2002	500	460	256	271	**189**	**204**	15	530	530	54hz
4A	150hp	2004	500	440	278	290	**150**	**162**	12	556	556	54hz
5	60hp	2015	513	427	283	290	**137**	**144**	7	463	463	55hz
8	150hp	2004	480	420	310	320	**100**	**110**	10	438	438	49.5hz
10 LA		2007	860	0	397.1	0	**0**	**0**	0	0	0	
	May-17											2,546
2A	300hp	2011	725	680	275	302	**378**	**405**	27	0.00	0	55hz
3A	100hp	2002	500	460	265	286	**174**	**195**	21	14.05	295	54hz
4A	150hp	2004	500	440	290	302	**138**	**150**	12	21.08	253	46.5hz
5	40hp	2014	520	420	286	297	**123**	**134**	11	32.27	355	55hz
8	150hp	2004	480	420	317	330	**90**	**103**	13	27.54	358	49.5hz
10 LA		2007	860	0	397.1	0	**0**	**0**	0		0	
	May-18											1,261
2A	50hp	2018	725	505	292.48	301.72	**203.28**	**212.52**	9.24	14.61	135	52.5hz
3A	100hp	2002	500	460	300	310	**150**	**160**	10	18.40	184	48hz
4A	150hp	2004	500	440	300	313	**127**	**140**	13	13.85	180	47hz
5	60hp	2015	520	420	298	306	**114**	**122**	8	33.50	268	56hz
8	150hp	2004	480	420	330	342	**78**	**90**	12	24.92	299	50hz
10 LA		2007	860	0	397.1	0	**0**	**0**	0		0	
												1,066
									TUNNEL			124
									TOTAL PRODUCTION			1,190

MSEXCEL/WELLDEPTHS18

SHEEP CREEK WATER COMPANY

JUNE 2017

2016 CONSUMER CONFIDENCE REPORT

Board of Directors

Andy Zody
President

Bob Howard
Vice President

Kellie Williams
Secretary / Treasurer

Luanne Uhl
Director

David Nilsen
Director

Staff

Chris Cummings
General Manager

Mike Siaz
Field Supervisor

April Chaplin
Accounts Payable

Sandi Mosley
Accounts Receivable

Joe Tapia
Water Quality

Paul Pollard
Field Technician

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(760) 868-2174 fax
Office Email:
sheepcreek@verizon.net
Visit us online at:
www.sheepcreekwater.com

After Hours

For after hours emergencies, call (760) 553-6023

Questions

This report has been compiled by your General Manager, Chris Cummings. For more information about this report, or for questions relating to your drinking water, please call our office at (760) 868-3755.

Dear Shareholders & Customers

Sheep Creek Water Company is once again proud to present our Annual Water Quality Report. This report covers all testing performed between January 1, 2016 and December 31, 2016. You will find information regarding drinking water quality, the source of your water and other information in compliance with state and federal standards.

Your interest in the company is overseen by a five member Board of Directors. The Board of Directors currently meet on the third Thursday of the month, at 6:00 pm. The meetings are held at the Company office at 4200 Sunnyslope Rd. Please visit us online at www.sheepcreekwater.com for meeting agendas and times. Please contact our office for questions (760) 868-3755.

Where Does My Water Come From?

Sheep Creek Water Company customers receive their drinking water from Swarthout Canyon below Wrightwood. All the water Sheep Creek produces is Ground Water only. The Company's primary source of water is a gravity flow tunnel. The Tunnel is currently producing 148 GPM. The Company's remaining source of water comes from five wells located in the Sheep Creek Wash. With our system being gravity flow, this eliminates the need for booster stations and keeps our electricity down. The Company also has a 12" emergency connection with the Phelan Pinon Hills Community Services District. In 2016, 257 million gallons of water was produced, with June 30th being the max day of production at 1.54 million gallons during a 24 hour time period. The company has a total of 7 storage reservoirs with a combined storage capacity of 6.1 million gallons. With this storage we are capable of maintaining positive pressure through out the system during high demands and power outages. There are a total of 42 pressure reducing stations in 8 pressure zones supplying an average of 1170 active services.

The Sources of Drinking Water

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

Microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations and wildlife.

Inorganic contaminants, such as salts and metals, that can be naturally occurring or result from urban storm water runoff, industrial or domestic wastewater discharge, oil and gas production, mining or farming.

Pesticides and herbicides, that may come from a variety of sources such as agriculture, urban storm runoff and residential uses.

Organic chemical contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial process and petroleum production, and can also come from gas stations, urban storm water runoff, agriculture application and septic systems.

Radioactive contaminants, which can be naturally occurring or be the result of oil and gas production and mining activities.

Source Water Assessment

A SWA was conducted for all of our sources in March 2001 and a SWA was conducted for Well 2A in May 2012. A copy of the plan is available to view at the Sheep Creek Water Company Office or at the SWRCB, DDW San Bernardino District office 464 West 4th St Suite 437. This plan is an assessment of the delineated area around our listed sources through which contaminants, if present, could migrate and reach our source of water. It also includes an inventory of potential sources of contamination within the delineated area, and a determination of the water supply's susceptibility to contamination by the identified potential sources.

Noticia Importante

Este Informe contiene Informacion muy importante sobre su agua potable. Traduzcalo o hable con alguien que lo entienda bien.

Water Conservation & Allotment

With the area receiving rain and snow during the 2016/17 winter, Sheep Creek Water Company continues to experience severe drought conditions. Water production and water levels continue to decline. At this time water production is 49% lower than it was this time last year. Water Conservation Measures will remain in effect with additional measures to be added. Check all irrigation, faucets, toilets and swamp coolers for leaks and make repairs as necessary. The allotment will continue to drop as production drops. As of this time the current allotment is 1,000 cubic feet for the first share and 350 cubic feet for the remaining shares. The company needs to keep water consumption within the available production. Long term goals for the company are to develop additional wells spread throughout the water district.

Important Health Information

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly and infants may be particularly at risk for infection. These people should seek advice about drinking water from their health care providers. The USEPA/CDC guidelines on appropriate means to lesson the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline at (800) 426-4791 or www.epa.gov/safewater/hotline/.

Lead and Drinking Water

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. We are responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline at (800) 426-4791 or www.epa.gov/safewater/lead.

Nitrate in Drinking Water

Nitrate in drinking water at levels above 45 ppm is a health risk for infants of less than six months of age. Such nitrate levels in drinking water can interfere with the capacity of the infant's blood to carry oxygen, resulting in a serious illness; symptoms include shortness of breath and blueness of the skin. Nitrate levels above 45 ppm may also affect the ability for the blood to carry oxygen in other individuals, such as pregnant women and those with certain specific enzyme deficiencies. If you are caring for an infant, or you are pregnant, you should ask advice from you health care provider. Nitrate levels may rise for short periods of time due to rainfall or agricultural activity.

Water Treatment Process

Chlorine is added to the water as a precaution against any bacteria that may be present. We monitor chlorine levels daily, adding the lowest quantity necessary to protect the safety of your water, without compromising taste.

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (USEPA) and the State Water Resource Control Board, Division of Drinking Water (SWRCB, DDW) prescribe regulations that limit the amount of certain contaminants in water provided by the Water Company. SWRCB, DDW regulations also establish limits for contaminants in bottled water that provide the same protection for public health. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's Safe Drinking Water Hotline (1-800-426-4791).

Sampling Results

During the past year, weekly water samples were collected in order to determine the presence of any radioactive, biological, inorganic, volatile organic or synthetic organic contaminants. The table below shows only those contaminants that were detected in the water. The state allows us to monitor for certain substances less than once per year because the concentrations of these substances do not change frequently. In these cases, the most recent sample data are included, along with the year in which the sample was taken.

PRIMARY SUBSTANCES

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	PHG (MCLG) [MRDLG]	AMOUNT DETECTED	RANGE LOW-HIGH	TYPICAL SOURCE
Arsenic (ug/L)	2013	10	2	ND	ND-ND	Erosion of natural deposits; runoff from orchards; glass and electronics production waste
Fluoride (mg/L)	2016	2	0.1	0.39	.33-.47	Erosion of natural deposits
Hexavalent Chromium (+6) (ug/L)SCWC Sources	2016	10	1	ND	ND-ND	Discharge from electroplating factories, leather tanneries, wood preservation, chemical synthesis, refractory production, and textile manufacturing facilities; erosion of natural deposits
Hexavalent Chromium (+6) (ug/L)SCWC Tank 6 (PPHCSD connection), Tank #8, SS#4	2016	10	1	13	1.3-13	
Nitrate [as N03] (mg/L)	2016	45	45	23.5	22-25	Runoff and leaching from fertilizer use; leaching from septic tanks and sewage; erosion of natural deposits
Perchlorate (ug/L)	2016	6	1	ND	ND-ND	Inorganic chemical used in rocket propellant, fireworks, explosives, flares, matches and a variety of industries.

Stage 2 - Disinfection Byproducts Rule (DBPR)

Samples are collected at the lowest portion of the distribution system SS# 7 Johnson Rd north of Goss Rd

Haloacetic Acids (ug/L)	2016	60	NA	ND	ND-ND	By-product of drinking water disinfection
TTHMs [Total Trihalomethanes] (ug/L)	2016	80	NA	3.4	3.4	

LEAD & COPPER TAP MONITORING

Tap water samples were collected for lead and copper analyses from sample sites throughout the community

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	ACTION LEVEL (AL)	PHG (MCLG) [MRDLG]	AMOUNT DETECTED (90TH%TILE)	SITES ABOVE AL/TOTAL SITES	TYPICAL SOURCE
Copper (mg/L)	2015	1.3 mg/l	0.05	0.21	0/20	Internal corrosion of household plumbing systems; erosion of natural deposits
Lead (mg/L)	2015	.015 mg/l	0.005	0.0054	0/20	

SECONDARY SUBSTANCES

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	PHG (MCLG) [MRDLG]	AMOUNT DETECTED	RANGE LOW-HIGH	TYPICAL SOURCE
Methyl tert-Butyl Ether [MTBE] (ug/L)	2015	13	3	ND	ND-ND	Leaking from underground gasoline storage tanks; discharge from petroleum and chemical factories
Chloride (mg/L)	2016	500	None	33	25-39	Runoff/leaching of natural deposits; seawater influence
Sulfate (mg/L)	2016	500	None	227	150-280	Natural deposits; Industrial waste
Total Dissolved Solids [TDS] (mg/L)	2016	1000	None	690	610-740	Runoff /leaching from natural deposits

RADIOLOGICAL

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	PHG (MCLG) [MRDLG]	AMOUNT DETECTED	TYPICAL SOURCE
Gross Alpha (pCi/L)	2014	15	3	2.2 - 3.0	Erosion of natural deposits

PPHCSD provided 4.65 million gallons of water to SCWC between August 4 2016 - September 6, 2016. PPHCSD has levels of Hexavalent Chromium 6 above the MCL. A copy of their CCR may be obtained on their website: www.pphcsd.org

PHYSICAL

PH	2016	None		7.3-7.7	
Odor (TON)	2016	3		1	Naturally-occurring organic material
Color (Units)	2016	15		ND	
Turbidity (NTU)	2016	5	0.1	ND-8.8	Soil runoff

MICROBIOLOGICAL

SUBSTANCE (UNIT OF MEASURE)	SAMPLES TAKEN	SAMPLES POSITIVE	MCL	TYPICAL SOURCE
Total Coliform Bacteria (% positive)	227	0	>5.0% positive	Naturally present in the environment

Sheep Creek Water Company is in compliance with all SWRCB, DDW sample requirements.

MINERAL

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	PHG (MCLG)	RANGE DETECTED
Alkalinity (mg/L)	2016	None	None	300-350
Bicarbonate (mg/L)	2016	None	None	320-430
Calcium (mg/L)	2016	None	None	130-150
Magnesium (mg/L)	2016	None	None	36-46
Potassium (mg/L)	2016	None	None	5.8-6.4
Sodium (mg/L)	2016	None	None	15-45
Total Hardness (mg/L)	2016	None	None	460-570

Sheep Creek's average hardness is 31 grains

Definitions

AL (Action Level): No MCL for lead.

MCL (Maximum Contaminant Level): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs (SMCLs) are set to protect the odor, taste and appearance of drinking water.

MCLG (Maximum Contaminant Level Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. EPA.

MRDL (Maximum Residual Disinfectant Level): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

MRDLG (Maximum Residual Disinfectant Level Goal): The level of drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Milligrams per Liter (mg/L): The same as ppm or parts per million. This is equivalent to one inch in 16 miles.

Micrograms per Liter (ug/L): The same as ppb or parts per billion. This is equivalent to one inch in 16,000 miles.

NTU (Nephelometric Turbidity Unit): Unit for expressing cloudiness (turbidity) of a sample as measured by a turbidimeter.

ND (Not Detected): Indicates the substance was not found by laboratory analysis.

PDWS (Primary Drinking Water Standard): MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

PH std Units: Range from 1 (acid) to 14 (basic). Neutral PH is 7.0.

PHG (Public Health Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by California EPA.

ppb (parts per billion): one part substance per billion parts water (or micrograms per liter).

ppm (parts per million): one part substance per million parts water (or milligrams per liter).

TON (Threshold Odor Number): Units for rating amount of odor in a water sample.

TT (Treatment Technique): A required process intended to reduce the level of a contaminant in drinking water.

Information on the Internet

The U.S. EPA Office of Water (www.epa.gov/watrhome) and the Centers for Disease Control and Prevention (www.cdc.gov) Web sites provide a substantial amount of information on many issues relating to water resources, water conservation and public health.