2016 CONSUMER CONFIDENCE REPORT

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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.

Board of Directors 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 population. than the water general 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 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.

which the sample was t	aken.	PRI	IMARY SUBST	TANCES			p d
SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	PHG (MCLG) [MRDLG]	AMOUNT DETECTED	RANGE LOW-HIGH	TYPICAL SOURCE	N
Arsenic (ug/L)	2013	10	2	ND	ND-ND	Erosion of natural deposits; runoff from orchards; glass and electronics production waste	h N T
Fluoride (mg/L)	2016	2	0.1	0.39	.3347	Erosion of natural deposits	a
Hexavalent Chromium (+6) (ug/L)SCWC Sources	2016	10	1	ND	ND-ND	Discharge from electroplating factories, leather tanneries, wood	M G be
Hexavalent Chromium (+6) (ug/L)SCWC Tank 6 (PPHCSD connection), Tank #8, SS#4	2016	10	1	13	1.3-13	preservation, chemical synthesis, refractory production, and textile manufacturing facilities; erosion of natural deposits	to th co
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	10 N
Perchlorate (ug/L)	2016	6	1	ND	ND-ND	Inorganic chemical used in rocket propellant, fireworks explosives, flares, matches and a variety of industries.	1 N ex
	Stage 2	- Disinf	ection Bypro	ducts Rule ([OBPR)		N

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			
TTHMs [Total Trihalomethanes] (ug/L)	2016	80	NA	3.4	3.4	water disinfection			

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 ABOV AL/TOTAL SITES	_			
Copper (mg/L)	2015	1.3 mg/l	0.05	0.21	0/20	Internal corrosion of household plumbing systems; erosion of			
Lead (mg/L)	2015	.015 mg/l	0.005	0.0054	0/20	natural deposits			
		SECON	DARY SUB	STANCES					
SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	PHG (MCLG) [MRDLG]	AMOUNT DETECTED	RANGE LOW- HIGH	TYPICAL SOURCE			
Methyl tert-Butyl Ether	2015	13	3	ND	ND-ND	Leaking from under-			

(UNIT OF MEASURE)	SAMPLED	[MRDL]	[MRDLG]	DETECTED	HIGH	
Methyl tert-Butyl Ether [MTBE] (ug/L)	2015	13	3	ND	ND-ND	Leaking from under- ground 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

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.

RADIOLOGICAL							PPHCSD provided 4.65 million gallons of water to SCWC between					
SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	PHG (MCLG) [MRDLG]	AMOUNT DETECTED	TYPICAL SOURCE		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					
Gross Alpha (pCi/L)	2014	15	3	2.2 - 3.0	Erosion of natural deposits			MINERAL				
		PHYSICA	\L			SUB	STANCE	YEAR	MCL	PHG	RANGE	
PH	2016	None		7.3-7.7		(UNIT O	F MEASURE)	SAMPLED	[MRDL]	(MCLG)	DETECTED	
Odor (TON)	2016	3		1	Naturally-occurring	Alkalinity	(mg/L)	2016	None	None	300-350	
Color (Units)	2016	15		ND	organic material	Bicarbona	ate (mg/L)	2016	None	None	320-430	
Turbidity (NTU)	2016	5	0.1	ND-8.8	Soil runoff	Calcium (mg/L)	2016	None	None	130-150	
	MI	CROBIOLC	GICAL			Magnesiu	ım (mg/L)	2016	None	None	36-46	
SUBSTANCE (UNIT	SAMPLES	SAMPLES				Potassiun	n (mg/L)	2016	None	None	5.8-6.4	
OF MEASURE)	TAKEN	POSITVE	MCL	Notur	PICAL SOURCE ally present in the	Sodium (r	mg/L)	2016	None	None	15-45	
Total Coliform Bacteria (% positive)	227	0	>5.0% posi	LIVC	environment	Total Har	dness (mg/L)	2016	None	None	460-570	
Sheep Creek Water Company is in compliance with all SWRCB, DDW sample requirements.					Sheep Creek's average hardness is 31 grains							