2019 CONSUMER CONFIDENCE REPORT

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Bob Howard Vice President

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Chris Cummings General Manager

> Mike Siaz **Field Supervisor**

April Chaplin Accounts Payable

Dorothy Zody Accounts Receivable

> Joe Tapia **Water Quality**

Paul Pollard Field Technician

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Visit us online at: www.sheepcreekwater.com

After Hours For after hours emergencies, call (760)

Questions

553-6023

This report has been compiled by your General Manager, Chris Cummings. elating to your drinking 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, 2019 and December 31, 2019. 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 6:30 pm. The meetings are currently being held at the SJUSD Board Room 4075 Nielson 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 most of their drinking water from Swarthout Canyon below Wrightwood. All the water Sheep Creek produces is Ground Water only. Sheep Creek's gravity flow tunnel is producing 123 GPM as of December 31, 2019. The Company's remaining source of water comes from five wells located in the Sheep Creek Wash and one well located north of Phelan Rd. With our system being gravity flow, this eliminates the need for booster stations and keeps our electricity down. The Company also has a 12" permitted connection with the Phelan Pinon Hills Community Services District. In 2019, 176.6 million gallons of water was produced, with August 2nd being the max day of production at 776,420 thousand 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 45 pressure reducing stations in 8 pressure zones supplying an average of 1191 active services.

Source Capacity Project

During the Special Shareholders Meeting in August 2019, the Shareholders voted to drill and install additional wells to meet the Source Capacity Requirement per the Compliance Order issued by the SWRCB on August 30, 2018. April 2020 the SWRCB issued an updated compliance order approving SCWC's plan for drilling additional wells to meet the required Max Day Demand (MDD) of 1,396 gpm. The SWRCB imposed a building moratorium in August 2018 and will remain in affect until additional wells are completed and SCWC meets the required MDD. The SWRCB is using the Wrightwood Well Fields lowest production of 502 gallons per minute when calculating SCWC's MDD. The estimated completion date for SCWC to be in compliance is December 2023. At this time SCWC has acquired a line of credit, acquired additional property and has begun the environmental work for up to three wells.

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.

For more information about Organic chemical contaminants, including synthetic and volatile organic this report, or for questions chemicals, which are by-products of industrial process and petroleum production, and can also come from gas stations, urban storm water water, please call our office 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 Source Water Assessment (SWA) was conducted for all of our sources in March 2001 and a SWA was conducted for Well 2A in May 2012. A new SWA was conducted for Well 11 in October 2018. A copy of the SWA 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

Sheep Creek Water Company has experienced several years of low water levels and production due years of drought conditions. Water Conservation Measures will remain in effect, check all irrigation, faucets, toilets and swamp coolers for leaks and make repairs as necessary. As of this time the current allotment remains at 750 cubic feet for the first share and 150 cubic feet for the remaining shares on Tier 1 and an additional 150 cubic feet per share for Tier 2. Long term goals for the company are to develop additional wells spread throughout the water district.

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.

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 USEPA Safe Drinking Water Hotline at (800) 426-4791.

How Pure Should Our Water Be

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 the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the EPA's Safe Drinking Water Hotline at: 1-800-426-4791

Lead and Copper Monitoring

SCWC monitors drinking water for specific contaminants on a regular basis. Lead and Copper sampling was completed during the month of June 2019. See below for 2019 results.

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.

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	MARY SUBST	ΓANCES						
SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	PHG (MCLG) [MRDLG]	AVERAGE DETECTED	RANGE LOW-HIGH	TYPICAL SOURCE				
Arsenic (ug/L) Well Site	2019	10	2	ND	ND-ND	Erosion of natural deposits; runoff from orchards; glass and electronics production waste				
Fluoride (mg/L)	2019	2	0.1	0.34	.2137	Erosion of natural deposits				
Hexavalent Chromium (+6) (ug/L)	2018	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				
Nitrate [as N] (mg/L)	2019	10	10	3.74	.60-4.8	Runoff and leaching from fertilizer use; leaching from septic tanks and sewage;				
Nitrite [as N] (mg/L)	2019	1	0.4	ND	ND-ND	erosion of natural deposits				
Perchlorate (ug/L)	2019	6	1	ND	ND-ND	Inorganic chemical used in rocket propellant, fireworks explosives, flares, matches and a variety of industries.				
1,2,3 Trichloroproane (ug/L)	2019	0.005	0.0007	ND	ND-ND	Discharge from industrial and agricultural chemical factories; leaching from hazardous waste sites; used as cleaning and maintenance solvent, paint and varnish remover, and cleaning and degreasing agent; byproduction the production of other compounds and pesticides.				
	Stage 2	2 - Disinfe	ection Bypro	ducts Rule (I	DBPR)					
Samples are collected at the lowest portion of the distribution system SS# 7 Johnson Rd north of Goss Rd										
Haloacetic Acids (ug/l)	2019	60	NΔ	ND	ND	By-product of drinking				

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)	2019	60	NA	ND	ND	By-product of drinking			
TTHMs [Total	2019	80	1	1	1	water disinfection			
Trihalomethanes] (ug/L)									

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)	Jun-19	1.3	0.3	0.2	0/20	Internal corrosion of household plumbing systems; erosion of			
Lead (mg/L)	Jun-19	0.015	0.005	ND	0/20	natural deposits			
CECONDARY CLIRCTANCES									

SECONDART SUBSTANCES									
SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	PHG (MCLG) [MRDLG]	AVERAGE DETECTED	RANGE LOW- HIGH	TYPICAL SOURCE			
Chloride (mg/L)	2019	500	None	28	2.9-37	Runoff/leaching of natural deposits; seawater influence			
Sulfate (mg/L)	2019	500	None	207	120-250	Natural deposits; Industrial waste			
Total Dissolved Solids [TDS] (mg/L)	2019	1000	None	627	310-720	Runoff /leaching from natural deposits			
Iron (mg/L)	2019	300	None	31	ND-220	Leaching from natural deposits; industrial wastes			

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

Water Treatment Process

resources, water conservation and public health.

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.

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RADIOLOGICAL						Water conservation	doesn't have	e to incon	venience o	ur lives to be
SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	PHG (MCLG) [MRDLG]	AVERAGE DETECTED	TYPICAL SOURCE	effective. Simple changes in how we do our daily tasks can have a tremendous impact on our water usage. A little effort can save a				
Gross Alpha (pCi/L)	2018	15	3	ND-10	Erosion of natural deposits	lot of water. MINERAL				
		PHYSICAL			SUBSTANCE	YEAR	MCL	PHG	RANGE	
PH	2019	None		7.3-8.2		(UNIT OF MEASURE)	SAMPLED	[MRDL]	(MCLG)	DETECTED
Odor (TON)	2019	3		1	Naturally-occurring	Bicarbonate (mg/L)	2019	None	None	170-400
Color (Units)	2019	15		ND-5	organic material	Calcium (mg/L)	2019	None	None	40-170
Turbidity (NTU)	2019	5	0.1	ND-1.2	Soil runoff	Magnesium (mg/L)	2019	None	None	9.1-54
MICROBIOLOGICAL					Potassium (mg/L)	2018	None	None	5.0-6.4	
SUBSTANCE (UNIT	SAMPLES	SAMPL				Sodium (mg/L)	2019	None	None	17-42
OF MEASURE)	TAKEN	POSIT\		MCL	TYPICAL SOURCE	Total Hardness (mg/L)	2019	None	None	140-650
Total Coliform Bacteria (% positive)	156	0	>5	.0% positive	Naturally present in the environment	Sheep Creek's average ha	Sheep Creek's average hardness- Well Site- 35 grains / Well 11			
Sheep Creek Water Company is in compliance with all SWRCB, DDW sample requirements.										