

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

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 **Pinon Mesa Middle School**, located at **9298 Sheep Creek Road, Phelan, California**, on **May 4, 2024, at 10:00 a.m.**, local time, for the following purpose:

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
- c.) **Open Forum/Public Comment-** Under this item any member of the Board or the Public may address the Board on any item relating to the company not listed on this agenda. Each person requesting to speak will complete a request to speak form and bring it up to the Secretary of the Board. At the conclusion of the Annual Meeting Agenda, prior to selection of Board members, Shareholders can speak about the items on their submitted form. Please note the Board is prohibited under AB 240 from taking any action on an item not appearing on the agenda. Board president will call on each participant and at that time you have three (3) minutes to speak.

II. Financial Update

- a.) Approval of 2023 Financial Statement

III. Old Business

- a. Approval of Annual Meeting Minutes of 2023
- b. System Update
- c. State Water Resource Control Board (SWRCB) Compliance Order Update
 - Well 13
 - Drilling to 1935 Feet.
 - Pump Placement is 1870 Feet.
 - Pump is designed to produce 400 GPM.
 - Production Outlet Installed.

IV. New Business

Action Items will be voted by shareholders.

Board of Directors recommends the approval of the below Action Item

**If GPM Drops to 1500 GPM the allotment would return to
750 CU FT/150 CU FT until GPM is over 1800 GPM**

a.) Shareholder Allotment Options

Option I:

Leave the allotment at the present 750 CU FT for the first share and 150 CU FT for each additional share that the shareholder owns. Pay for Well #13 from Tier 3.

Option II:

Change the Tier I allotment to 600 CU FT for all shares. Increase the allotment for Tier 2 to 300 CU FT for all shares. Would go into effect only a) once Well 13 is approved by the State Water Resource Control Board and operating, and b) subject to any necessary State approval.

If voting for Option II, choose from one of the following rate options:

Choose One:

Choice 1:

Increase the base rate from the present \$70 per month to \$77 per month.

Or,

Choice 2:

Increase all the water rates by 25%.

Or,

Choice 3:

Have \$30.00 semi-annually (2x per year) assessments per share.

b.) Approval of Proposed New Master Plan

V. Election of SCWC Board of Directors

Action Items will be voted on by shareholders.

- a. Nominations for Board of Directors
- b. Nominees will have three minutes each to provide background, experience etc.

VI. Procedures for Voting

VII. Adjournment

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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 4, 2024,
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*