

SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
January 20, 2026 ~ 6:00 PM
SHEEP CREEK WATER COMPANY
4200 SUNNYSLOPE RD., PHELAN CA 92371

Anyone who would like to attend meetings in person are required to RSVP not less than twenty-four (24) hours prior to the meeting.

Meeting Notes

1) **Open Meeting-** 6:00 PM

- a. The Regular Board of Directors Meeting of January 20, 2026, was called to order at 6:01 PM by President Andy Zody. General Manager Joseph Tapia led the Pledge of Allegiance. Director David Nilsen led the Invocation.
- b. Attendance:
 - a. Andy Zody is in attendance as presiding President.
 - b. Kellie Williams is in attendance as Secretary/Treasurer.
 - c. David Nilsen is in attendance as presiding Director.
 - d. Eric York is in attendance as presiding Director.
 - e. Luanne Uhl is in attendance as presiding Director.
- c. Guest Present:
 - a. None
- d. Staff Present: General Manager Joseph Tapia and Therese Rodriguez, Executive Manager, were present.

a..

2) **Consent Motions**

- a. Minutes:
 - a. *Regular Board of Directors Meeting- December 16, 2025*
- b. Bills:
 - a. *December 16, 2025 through January 20, 2026*
- c. Managers' Report: Included in Board Packet

David Nilsen moved to accept the Bills, Managers Report and Minutes as presented. Luanne Uhl seconded the motion.

Motion passed 5 yes, 0 no

- 3) **Open Forum/Public Comment-** Under this item any member of the Board or Public may address the Board on any item relating to the company not listed on this agenda. However, 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. Please be advised that this meeting will be recorded for documentation purposes and to help the accuracy of the meeting minutes.

4) **Old Business**

Information Items:

- a. System Update

- a. See Mangers Report below.
- b. Nilsen commented and expressed appreciation for Joe and the team for their support during the Christmas Eve 2025 flood. Joe shared that the team assisted PPCSD and collaborated with PPCSD and their water company to support the community during the emergency.
- c. Kellie asked Joe about the impact of reduced snowpack and how the district is preparing for anticipated water level declines over the next 18 months. Joe confirmed that the district is in a strong position and that the entire company is prepared to manage the expected water changes.
- b. SWRCB Request Letter
 - a. The Board reviewed the update letter to the SWRCB
- c. *Action Items:*
 - a. Review Board of Directors Rules and Responsibilities
 - a. The Board reviewed the Directors' Rules and Responsibilities and agreed with the meeting guidelines. The document was found to be good.
 - b. The Board reviewed By-Laws 3.13 and 5.01 through 5.06 and agreed that the By-Laws are satisfactory as written.
 - c. No change – no action required.

5) **New Business**

Action Items:

- a. 2 New Meters

Uhl moved to approve the installation of two new meters. York seconded the motion. The motion passed.

Motion Passed 5 yes, 0 no

- b. Account 1030

No action taken

- c. Well Monitoring System Upgrade

Software upgrade, which is needed on the All Wells and All Tanks

Nilsen moved to approve the Well Monitoring System Upgrade. Kellie Williams second the motion.

Discussion followed. Zody suggested further investigation of additional quotes. Nilsen spoke about the company's history with Central Electric Services, noting that they have consistently supported the system during outages caused by storms, fires, and other natural disasters, and have reliably responded to make necessary repairs.

Motion Passed, 4 yes, 1 no (Zody)

- d. 2026 Annual Shareholder's Meeting
 - a. 2026 Approval of Annual Shareholder Meeting Date

1. May 2nd or the 9th due to Snowline JUSD availability. The 2nd being the first priority and then the 9th.

b. 2026 Annual Proxy Form

- c.* Due the Wednesday by 4 pm before the 2026 Annual Shareholder Meeting

Uhl moved that the 2026 Annual Shareholder Meeting be scheduled for May 2, with May 9 designated as the alternate date pending Snowline availability. Once Snowline confirms availability for either May 2 or May 9, the proxy deadline will be set for the Wednesday prior to the meeting at 4:00 p.m.

Nilsen second the motion

Motion Passed, 5 yes, 1 no

d. Annual Shareholder Meeting Agenda Items

1. Nilsen stated that the shareholders have already approved the Master Plan, including the funding approach for Well 13. He noted that the company now needs a plan to address future wells through meter costs and confirmed that a strategy is in place to sustain the company long term. Nilsen suggested we should have a minimum of \$300k for maintenance.

6) Next Scheduled Meeting

- a. February 17, 2026

7) Closed Session

- a. Personnel Items

8) Adjournment

6:59 pm out of closed session. Nilsen moved to adjourn the meeting at 6:59. York second the motion.

Motion Passed 5 yes, 0 no

Respectfully Submitted,

*Kellie Williams-Secretary/Treasurer
Sheep Creek Water Company
Board of Directors*

Regular Board of Directors Meeting – Managers Report

January 20, 2026

PRODUCTION

- December Production- 56.63 AF- 2025 Year to Date Production- 659.73
- December Meter Service Usage- 35.74 AF,2025 Year to Date Consumption- 506.96.

Well soundings, 2025:

- Static Water Levels compared June 2025 to December 2025.

Well, 2A. Static level is up 4FT.

Well, 3A. Static level is up 2FT.

Well,4A. Static level is up 2 FT.

Well, 5. Static level is up 4FT.

Well, 8. Static level the same.

Well, 11. Static level is up 10 FT.

Well 13. Static level is up 4FT.

Tunnel the Tunnel flow is currently averaging 342 GPM.

- Total pumping capacity as of December 2025 is 2,953 GPM.
- Current usage average 375,000 gallons per day, 261 gallons per minute.

Work Completed or in Progress- December 2025

- Work orders as office requests.
- Well soundings – weekly.
- Samples- weekly.
- 2-Mainline leaks / 1- service line leaks.
- Meter Maintenance.
- Install 5 new services.
- 3- Meter Upgrades.
- Cover exposed main line from rain damage.
- 1-Meter service line replacement
- Capped off old main line on Johnson.
- CLA-Valve maintenance/Rebuild Reg #2.
- Clean up debris at well site from rain damage.
- Tank Flushing.