

SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
October 28, 2025 ~ 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 MINUTES

1) Open Meeting- 6:00 PM

- a. The Regular Board of Directors Meeting of October 28, 2025, was called to order at 6:03 PM by President Andy Zody. General Manager Joe 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. Peter Barnes
- d. Staff Present: General Manager Joseph Tapia and Therese Rodriguez, Executive Manager, were present.

2) Consent Motions

- a. Minutes:
 - a. *Regular Board of Directors Meeting- September 16, 2025*
- b. Bills:
 - a. *September 16, 2025 through October 28, 2025*
- c. Managers' Report: Included in Board Packet

Eric York moved to accept the Bills, Managers Report and Minutes as presented. David Nilsen 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

Action Items:

- a. Special District Assessment Update

The Special District update indicates that moving forward SCWC would need to become a public entity regulated by the state. Nilsen believes may not be worthwhile, given that it would increase us to 1,950 parcels and currently we have 1,245 active meters. It was suggested that the benefits of adding a few extra meters may not justify this transition. Nilsen intends to continue researching the mello-roos for our company for further insights.

5) **New Business**

Action Items:

- a. 2026 Operating Budget

The general manager recommends that the board take more time to review the budget and place it back on the agenda for November, allowing for any questions prior to adoption. If necessary, a special meeting can be scheduled after the November meeting to finalize the budget before the end of the year.

Nilsen continued, complimenting Mr. Tapia for adhering to last year's budget. He mentioned the \$2 operational budget, which is allocated for maintaining and upgrading the infrastructure.

Nilsen emphasized that larger shareholders who do not use their water benefit the company by allowing others to use it at a higher rate. Zody brought up the topic of assessments, to which Nilsen suggested exploring other options, noting that assessments can negatively impact lower-end shareholders. Discussion followed with Zody and Nilsen regarding assessments. Zody feels this option needs to be looked at further while Nilsen mentioned he is against assessments.

6) **Next Scheduled Meeting**

- a. November 18, 2025

7) **Closed Session**

- a. Employee Evaluation

8) **Adjournment**

6:40 out of closed session

Nilsen moved to adjourned the meeting 6:41. 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
October 28, 2025**

PRODUCTION

- *September Production- 61.12 AF- 2025 Year to Date Production- 501.70*
- *September Meter Service Usage- 52.00 AF, 2025 Year to Date Consumption- 392.55*

Well soundings, 2025:

- *Static Water Levels compared June 2025 to September 2025.*

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

Well, 3A. *Static level the same.*

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

Well, 5. *Static level the same.*

Well, 8. *Static level the same.*

Well, 11. *Static level is down 1 FT.*

Well 13. *Static level is up 18 FT.*

Tunnel *the Tunnel flow is currently averaging 396 GPM.*

- *Total pumping capacity as of September 2025 is 2,644 GPM.*
- *Current usage is averaging 564,000 gallons per day, 392 gallons per minute.*

Work Completed or in Progress- September 2025

- *Work orders as office requests.*
- *Well soundings – weekly.*
- *Samples- weekly.*
- *Lead & Copper samples*
- *0-Mainline leaks / 1- service line leaks.*
- *Meter Maintenance.*
- *1-New Service Line.*
- *Auto Maintenance.*
- *Equipment Maintenance.*
- *1- Meter Upgrade.*
- *Order material for New pressure regulator station.*
- *Order 330' of C900 pipe to Eliminate a dead end line.*
- *New Rates go into effect January 1, 2025.*
- *Allotment Tier 1 – All share 600 CF. Tier 1 \$0.72per hcf*
- *Allotment Tier 2 – 300 CF. Tier 2 \$5.80 per hcf*
- *Tier 3 Overage- No Allotment. Tier 3 \$11.00 per hcf*