

SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
February 17, 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 Minutes

1) Open Meeting- 6:00 PM

- a. The Regular Board of Directors Meeting of February 17, 2026, was called to order at 6:02 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. 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- January 20, 2026*
- b. Bills:
 - a. *January 20, 2026 through February 17, 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 Managers Report below.

- b. Zody asked for an update on the financials and the status of information from the accountant.

Action Items:

- a. 2026 Annual Shareholder Meeting Agenda Items

Zody asked what items would need to be included on the Annual Meeting agenda. Zody would like to consider updating the bylaws for SCWC. Nilsen suggested keeping the bylaws as-is, expressing concern that changes could be perceived as the Board trying to alter or influence something. Andy supported updating the bylaws, noting that legal fees are expected and often met with resistance.

York asked for clarification on the proposed verbiage. Zody further explained what he has seen elsewhere and outlined the improvements he believes should be considered for updating the bylaws.

Peter Barnes added that the SCWC does not follow corporation code and that legal counsel would be able to review the bylaws as written and determine that the district would be okay.

Nilsen asked how future wells would be funded moving forward.

Further discussion followed. Zody noted that his calculations did not match the amounts provided by CoBank. Nilsen stated that responsibility lies with SCWC, and that funding for the wells and payments to the bank must be clearly defined and followed in accordance with the approved plan and Tier rate structure.

5) New Business

Action Items:

- a. None

6) Next Scheduled Meeting

- a. March 17, 2026
- b. May 2, 2026 Annual Shareholder's Meeting

7) Closed Session 6:18 pm

- a. Employee Evaluation

8) Adjournment

6:29 pm out of closed session. Nilsen moved to adjourn the meeting at 6:29. 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

February 17, 2026

PRODUCTION

- January Production- 56.33 AF- 2026 Year to Date Production- 56.33
- January Meter Service Usage- 29.47 AF, 2026 Year to Date Consumption- 29.47.

Well soundings, 2026:

- Static Water Levels compared July 2025 to January 2026.

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 372 GPM.

- Total pumping capacity as of January 2026 is 2,434 GPM.
- Current usage average 309,700 gallons per day, 215 gallons per minute.

Work Completed or in Progress- January 2026

- Work orders as office requests.
- Well soundings – weekly.
- Samples- weekly.
- 4-Mainline leaks / 0- service line leaks.
- Meter Maintenance.
- 2- Meter Upgrades.
- Clean up debris at well site from rain damage.
- Inventory.