

SHEEP CREEK WATER COMPANY
Regular Board of Directors Meeting Minutes
February 21, 2023, ~ 6:00 PM
4200 Sunnyslope Rd., Phelan, CA 92371 ~ Board Room

1) Open Meeting

- a. The Regular Board of Directors Meeting of February 21, 2023, was called to order at 6:00 PM by Vice President Luanne Uhl. General Manager Joseph Tapia led the Pledge of Allegiance. Director David Nilsen led the Invocation. Luanne Uhl reminded all present and listening that all meetings are recorded for the accuracy of the minutes.
- b. Directors Present:
 - Luanne Uhl is in attendance as Vice President, Presiding President.
 - Kellie Williams is in attendance as Secretary/Treasurer, via Zoom.
 - David Nilsen is in attendance as presiding Director.
 - Eric York is in attendance as presiding Director.
- c. Guests Present: Shareholders Peter Barnes and Diane Hayball attended tonight's Regular Board of Directors meeting.
- d. Staff Present: General Manager Joseph Tapia and Therese Rodriguez, General Manager Assistant, were present.

2) Consent Motions:

- a. **Minutes:** *Regular Board of Directors Meeting Minutes of January 17, 2023*
- b. **Bills:** *January 17, 2023, through February 21, 2023*
- c. **Manager's Report:** *February 21, 2023: Included in Board Packet*

David Nilsen moved to accept all Consent Motions on the Minutes of January 17, 2023. Eric York seconded the motion. Motion carried. The January 17, 2023, Minutes will be on the Agenda for Approval at the next Board Meeting.

- 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 acting on an item not appearing on the agenda. The board president will call on each participant, and you have three (3) minutes to speak.*

Speaker 1: Dianne Hayball

Speaker Hayball stated she needed clarification about the website language (water-ease language). Discussion followed.

Speaker 2: Peter Barnes

Speaker Barnes discussed the lack of details in the monthly minutes; a discussion followed. Barnes asked about the budget; a discussion followed. Barnes asked about Well 11 payments; a discussion followed. Barnes informed the board he attend the California Fish and Game meeting regarding the Joshua trees; a discussion followed. Barnes asked if hired Julie Gilbert of Compass Consulting; a discussion followed. Barnes asked about the Cambria Well; a discussion followed.

Speaker 3: David Nilsen

The board members attended the mandatory AB 54 Training. Nilsen mentioned the concern about storage and what the state said for maximum storage, and he thinks we already have our maximum storage at this time, and we cannot add storage. Finally, the board members thanked Williams for hosting and her husband for the BBQ dinner.

4) Old Business

- a. *System Update – detailed numbers and information are in board packets.*

Tapia reported for the month of January 2023:

PRODUCTION

- January Production- 34.86 AF; 2023 Year to Date Production- 34.86
- January Usage- 25.37 AF; 2023 Year to Date Consumption- 25.37

Well soundings, 2023:

- Static Water Levels compared January 2022 to January 2023:

Well 2A static level is up 9.24 feet – Water Level 267.07’

Well 3A static level is up 4.62 feet – Water Level 275.20’

Well 4A static level is up 9.24 – Water Level 298.30’

Well 5 static level is up 6.93 feet – Water Level 276.78’

Well 8 static level is up 2.31 feet – Water Level 319.88’

Well 11 static level is up 1 foot – Water Level 948’

Tunnel the Tunnel flow is up 2gpm currently averaging 144

- Well 2A running an average of 1.65 hours a day. Ran for 2 days.
- Well 3A running an average of 1.65 hours a day. Ran for 2 days.
- Well 4A running an average of 1.8 hours a day. Ran for 2 days.
- Well 5 running an average of .9 hours a day. Ran for 2 days.
- Well 8 running an average of 11.8 hours a day. Ran for 20 days.
- Well 11 running an average of 1 hours a day. Ran for 1 day.
- Total pumping capacity as of January 31, 2023 is 2,199 gpm.
- Current usage is averaging 266,678.09 gallons per day, 185 gallons per minute
- **Allotment Tier 1 – First share on account remain 750 CF/Share and Remaining shares 150 CF/Share. \$0.50 per hcf**
- **Allotment Tier 2 – 150 CF/Share all shares after Tier 1 \$3.46 per hcf**
- **Tier 3 Overage- No Allotment \$8.32 per hcf**

Work Completed or in Progress-January 2023

- Work orders as office requests
- Well soundings – weekly
- Well samples- weekly
- 8- Meter upgrades
- 2 -Mainline leaks / 0- service line leaks
- Fire hydrant flushing
- Dead End Line Flushing

Questions from Barnes: Where is all the excess water going? Luanne Uhl stated that some are from flushing hydrants, end-of-the-line flushes, county road work, Fire Department, and customer leaks. Additional questions followed about meters, different types of meters; how often we flush our lines, how we prioritize leaks, and how fire hydrants are checked (every six months). Water use is tracked through meters, and we do not track the fire department's usage.

b. *Engineer to Upgrade Master Plan*

Action Item: Nilsen moved to approve the engineer, Ardurra (Dolores Salgado), to upgrade the company Master Plan with a limit on the cost and a time frame. We will be invoiced every month. York seconded the motion.

Discussion:

Nilsen stated the same person who did the consolidation report and work. She did a super job, knows our company, and has all the information.

Williams stated she would like a detailed scope of work with costs and billing itemized on an estimate/invoice for services—appendix A – a review. A time Frame discussion followed.

Vote: Motion carried, 4 yes, 0 no's

c. *Water Shares Policy Review*

Discussion Item: Nilsen suggested that if people want to sell their shares, Sheep Creek will buy up to five shares yearly. Then the shares will be put back up for sale for a higher amount. The idea is to use the money towards system upgrades or other company expenses. This item will continue to be discussed. It will be added to the next agenda. Williams liked the idea of generating money for the company and stated that the plan needs to be flushed out more with details in a written plan for the shareholders to review.

d. *Well Drilling Update*

Discussion Item: We are still waiting on Joshua's tree permits. Layne has a permit for the Mescalero site, but they cannot do anything until we get a status on the Joshua trees.

Question from Barnes: How deep did we drill Well 11? ~520 feet

5) New Business

a. *Mission /Vision Statement Review:* Kellie Williams has a draft she will share with the board first and then bring it to Open Session to share with members. This item will be added to the agenda for the next meeting.

6) Next Scheduled Meeting

The next meeting was on March 21st, but the Board changed it to March 14, 2023.

- 7) **Closed Session:** The meeting went to Closed Session at 6:05 pm *through* 7:05 pm
a. *Employee Evaluations*

8) **Adjournment**

David Nilsen moved to adjourn the meeting. Eric York seconded the motion. Motion carried. The Regular Board of Directors meeting of February 21, 2023, was adjourned at 7:06 pm.

Respectfully Submitted,

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