

SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
February 25, 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 February 25, 2025, 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 President.
 - b. Luanne Uhl is in attendance as Vice President.
 - c. Kellie Williams is in attendance as Secretary/Treasurer.
 - d. David Nilsen is in attendance as presiding Director.
 - e. Eric York 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.
 - e.
- 2) **Consent Motions**
 - a. Minutes:
 - a. *Regular Board of Directors Meeting- January 21, 2025*
 - b. Bills:
 - a. *January 21, 2025 through February 25, 2025*
 - c. Managers' Report: Included in Board Packet

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

Motion passed 4 yes, 0 no (York came in a few minutes after the vote)

- 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.

Nilsen suggests we build a garage to protect our equipment. He would like to take this to the May meeting for the Shareholders to approve.

4) **Old Business**

Information Items:

- a. System Update
 - a. See Mangers Report below

Action Items:

- a. Well 11 Pipeline Project Approval
 - a. The manager wants to move forward with Well #11 Pipeline Project once Well #13 Pipeline Project is complete.

Nilsen moved to move forward with Well #11 Pipeline Project. Uhl second the motion.

Discussion followed regarding supply materials and SCWC budget. Nilsen iterated the meters sales from last month and what is budgeted for company upgrades.

Motion Passed 5 yes, 0 no

- b. Employee Retirement Program

Zody moved if a SCWC employee with at least 25 years of service and a minimum age of 62 and up to the age of 64 (ends on the day before the employees 65th birthday – 3 years), SCWC will provide the employee with COBRA Medical. Uhl second the motion.

Motion Passed 5 yes, 0 no

5) **New Business**

Action Items:

- a. 2-Meters

Zody moved to approve the two meters, Uhl second the motion.

Motion Passed 5 yes, 0 no

- b. 2025 Education and Exhibitor Expo

Joe Tapia would like to send a few employees to attend the 2025 Education and Exhibitor Expo on water management. Nilsen iterated the importance of educating and learning more about water at the Exhibitor Expo.

David Nilsen moved to send Joe Tapia and no more than three employees to attend the 2025 Education and Exhibitor Expo. Uhl second the motion.

Motion Passed 5 yes, 0 no

c. Board Member Goals – Not an action item, information only.

Goal #1 - Nilsen, suggest we look at the utility billing system that offers the ability to split Tier 1, 2, and 3 pricing. Research and gather data regarding water meters and other technology to upgrade our company.

Goal #2 – Allocate \$300,000 annually to upgrade and maintain the water system.

- Dedicate \$100,000 per year from Tier 3 revenues.
- For the new water service, the setup costs will go to the general fund. If there are any remaining funds after the setup, they will be allocated toward improvements of the water systems. Adjust for inflation.

Goal #3 – Maintain right-of-way and easements by ensuring regular debris cleanup and addressing problem areas to prevent disruptions and ensure safety.

Discussion followed

Zody moved to add the above four goals to next month's agenda. York second the motion.

Motion Passed 5 yes, 0 no

York moved to modify Goal #1 to add meters and technology. Nilsen second the motion.

Motion Passed 5 yes, 0 no

d. 2025 Annual Shareholder's Meeting

a. Approval of Annual Shareholder Meeting Date- May 3, 2025

Nilsen moved to approve May 3, 2025 for the SCWC Annual Shareholder Meeting. York second the motion.

Motion Passed 5 yes, 0 no

b. 2025 Annual Proxy Form

Zody moved to approve the 2025 Annual Proxy Form pending legal review. Nilsen second the motion.

Motion Passed 5 yes, 0 no

c. 2025 Annual Shareholder Meeting Agenda Items

Joe Tapia suggests we agendize a steel building to secure our equipment and materials. Rehab the existing garage to Board room.

Zody would like to digitize our bylaws. Nilsen suggests we wait another year.

Barnes suggests we look at the proxy form expiration date for three years. Per legal if the board approved four years, then it's okay.

Williams suggests a guest speaker. Nilsen suggests SWRCB come and announce the compliance status.

6) **Next Scheduled Meeting**

a. March 18, 2025

b. April 15, 2025

7) **Closed Session 6:54 pm**

a. Employee Evaluation – employee motion was positive.

8) **Adjournment**

7:08 out of closed session

Nilsen moved to adjourn the meeting 7:09. 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 25, 2025

PRODUCTION

- January Production- 44.90 AF- 2024 Year to Date Production- 44.90
- January Meter Service Usage- 37.08 AF, 2024 Year to Date Consumption- 37.08

Well soundings, 2025:

- Static Water Levels compared January 2024 to January 2025.

Well, 2A. Static level is up 18 FT.

Well, 3A. Static level is up 14 FT.

Well, 4A. Static level is up 9 FT.

Well, 5. Static level is up 13 FT.

Well, 8. Static level is up 9 FT.

Well, 11. Static level is up 5 FT.

Tunnel the Tunnel flow is currently averaging 323 GPM.

- Total pumping capacity as of January 2025 is 2,415 GPM.
- Current usage is averaging 389,000 gallons per day, 271 gallons per minute.

Work Completed or in Progress- January 2025

- Work orders as office requests.
- Well soundings – weekly.
- Samples- weekly.
- 4- Meter upgrades.
- 0- Mainline leaks / 0- service line leaks.
- Meter Maintenance.
- 1 New Service Line.
- Replaced 1 service line.
- Well 13 Update:
 - Final building inspection completed by San Bernardino County.
 - Transfer switch wiring completed.
 - VFD wiring completed.
 - Generator is scheduled to be on site March 3rd.
 - Edison is on schedule for power.

- **New Rates go into effect January 1, 2025.**
- **Allotment Tier 1 – All share 600 CF. Tier 1 \$0.72 per hcf**
- **Allotment Tier 2 – 300 CF. Tier 2 \$5.80 per hcf**
- **Tier 3 Overage- No Allotment. Tier 3 \$11.00 per hcf**