

***SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
March 18, 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 March 18, 2025, was called to order at 6:13 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. Kellie Williams is in attendance as Secretary/Treasurer.
 - c. David Nilsen 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- February 25, 2025*
- b. Bills:
 - a. *February 25, 2025 through March 18, 2025*
- c. Managers' Report: Included in Board Packet

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

Motion passed 3 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.

Nilsen suggests that we go back to Co-Bank to request the unused portion of our loan and ask for an additional \$1.5 million on top of the remaining \$700k. Andy Zody explained that while we have access to a line of credit (\$450k) it might not be possible to secure the full amount Nilsen is requesting. Nilsen would like to add this request to the agenda so that we have available funds in

case of an emergency. SCWC may not need to use the funds but having them accessible would be beneficial. Nilsen also recommends conducting further research on this. Andy Zody reminded us that we already have \$450k available.

4) **Old Business**

Information Items:

- a. System Update
 - a. See Mangers Report below
- b. Board Member Goals
 - a. Review to agendize these goals for next month.

Goal #1 - 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.

A discussion followed, and Kellie Williams agreed with the goals outlined. Andy Zody asked for clarification on Goal #3, specifically regarding roads versus right of way. The General Manager confirmed that there are parts of the easements that are inaccessible to our trucks.

Action Items:

- a. 2025 Annual Shareholder's Meeting-Agenda

Reviewed the draft of the agenda provided to the board members. Add Guest Speaker – TBD.

David Nilsen moved to accept the 2025 Annual Shareholder's Meeting Agenda with the change made to add a guest speaker to be determined. Kellie Williams seconded the motion.

Motion passed 3 yes, 0 no

5) **New Business**

Action Items:

- a. 1-Meter

Andy Zody moved to accept the Meter as recommended by the general manager. David Nilsen second the motion.

Motion passed 3 yes, 0 no

b. Pipe Trailer Replacement

The general manager presented the price for a dual-purpose trailer designed to haul pipe and equipment. The trailer will be used to transport pipe, move tractors, and carry miscellaneous tools.

David Nilsen moved to allow the General Manager to choose a trailer up to \$30,000 and up to 2% for unknown fees, as well as to purchase a trailer for SCWC. Andy Zody seconded the motion.

Motion passed 3 yes, 0 no

6) **Next Scheduled Meeting**

- a. ~~April 15, 2025~~, moved to April 22, 2025
- b. May 3, 2025- Annual Shareholder's Meeting
- c. May 20, 2025

7) **Closed Session 6:45 pm Closed Session**

- a. Employee Evaluation

8) **Adjournment**

7:01PM out of closed session

Nilsen moved to adjourn the meeting at 7:02PM. Kellie Williams second the motion.

Motion Passed 3 yes, 0 no

Respectfully Submitted,

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

Regular Board of Directors Meeting – Managers Report
March 18, 2025

PRODUCTION

- February Production- 43.11 AF- 2025 Year to Date Production- 88.02
- February Meter Service Usage- 25.23 AF, 2025 Year to Date Consumption- 62.31

Well soundings, 2025:

- Static Water Levels compared February 2024 to February 2025.

Well, 2A. Static level is up 9 FT.

Well, 3A. Static level is Down 18 FT.

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

Well, 5. Static level is up 6 FT.

Well, 8. Static level is up 6 FT.

Well, 11. Static level is up 5 FT.

Well 13. Static level N/A

Tunnel the Tunnel flow is currently averaging 340 GPM.

- Total pumping capacity as of February 2025 is 2,811 GPM.
- Current usage is averaging 293,000 gallons per day, 204 gallons per minute.

Work Completed or in Progress- February 2025

- Work orders as office requests.
- Well soundings – weekly.
- Samples- weekly.
- 8- Meter upgrades.
- 0-Mainline leaks / 0- service line leaks.
- Meter Maintenance.
- 6 New Service Line.
- Tank Flushing.
- Well 13 Update:
 - Title 22 samples taken on March 4, 2025.
 - Edison is on schedule for power.
- **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**