

SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
May 19, 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 May 19, 2026, was called to order at 6:04 PM by President Andy Zody. General Manager Joseph Tapia led the Pledge of Allegiance. Director Eric York 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. None
- 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- April 21, 2026*
- b. Bills:
 - a. *April 21, 2026 through May 19, 2026*
 - b. *Annual Shareholder's Meeting- May 2, 2026*
- c. Managers' Report: Included in Board Packet

Eric York moved to accept the Bills, Managers Report and Minutes as presented with the changes noted below noted by Luanne Uhl. Luanne Uhl seconded the motion.

Discussion: Uhl questioned the reference to the \$10,000 meter installation fee in the Annual Meeting notes and requested revisions to clarify that \$10,000 from the proceeds of meter sales would be allocated as discussed.

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.

York thanked Joe Tapia, General Manager, and the staff for their work on the Annual Meeting. He stated that the meeting went well and that he received positive feedback from shareholders.

Meter in

4) **Old Business**

Information Items:

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

5) **New Business**

Action Items:

- a. 3- New Meters

David Nilsen moved to approve the three meters. Uhl seconded the motion.

Motion passed, 5 yes, 0 no

- b. Property request for spaghetti line extension

Discussion was held regarding the company bylaws and the limitation that spaghetti lines. It was noted that exceeding this distance could create additional dead-end lines. It was further clarified that Joe Tapia explained that Sheep Creek Water Company (SCWC) is responsible for providing lines to the meter; however, all lines beyond the meter located on private property are the responsibility of the property owner. Tapia reviewed the location of the proposed lines, 8-inch main lines, and meter placements with the Board.

Nilsen further explained the bylaws related to meter sales and line installation costs. He noted that if spaghetti lines are not permitted, the builder may choose not to proceed with construction, resulting in the loss of revenue associated with three additional meter sales. Zody asked about fire flow requirements, and it was stated that fire flow determinations are under county jurisdiction.

Additional discussion was held regarding dead-end lines and the approval process. It was explained that the owner would first purchase the four meters, after which SCWC would issue a will-serve letter for submission to the county.

Nilsen further recommended that the bylaws and Board policy be updated to require disclosure acknowledging that the lines serving the property are spaghetti lines and to consider increasing the allowable distance from 660 feet to 700 feet to address situations where homes are located on the opposite side of the roadway. Concerns were also discussed regarding future maintenance of spaghetti lines, including uncertainty of line locations, buried or damaged lines, leaks, or construction over the lines. It was clarified

that maintenance and repair responsibilities beyond the meter remain with the property owner and not SCWC.

Nilsen recommended approval of the builder's request for the three meters, contingent upon the owner initialing and acknowledging SCWC Board policy regarding spaghetti lines.

Nilsen moved to approve the spaghetti line request and meter sales. York seconded the motion.

Motion passed with a vote of 5 yes and 0 no.

Nilsen requested that an item be added to next month's agenda to update Board Policy – Meter Information, Subject: Spaghetti Line

6) Next Scheduled Meeting

- a. June 16, 2026

7) Closed Session

- a. None

8) Adjournment

Nilsen moved to adjourn the meeting at 6:35. Uhl 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

May 19, 2026

PRODUCTION

- April Production- 51.79 AF- 2026 Year to Date Production- 213.45
April Meter Service Usage- 39.58 AF,2026 Year to Date Consumption- 147.59

Well soundings, 2026:

- Static Water Levels compared January 2026 to April 2026.

Well, 2A. Static level is up 4.62FT.

Well, 3A. Static level is the same.

Well,4A. Static level is up 4.62FT.

Well, 5. Static level is the same.

Well, 8. Static level is up 9.24FT.

Well, 11. Static level is the same FT.

Well 13. Static level is down 4FT.

Tunnel the Tunnel flow is currently averaging 415 GPM.

- Total pumping capacity as of April 2026 is 3,139 GPM.
- Current usage averages 429,900 gallons per day, 299 gallons per minute.

Work Completed or in Progress- April 2026

- Work orders as office requests.
- Well soundings – weekly.
- Samples- weekly.
- 1-Mainline leaks / 2- service line leaks.
- System Maintenance/Weeds.
- 4- Meter Upgrades.
- Installed 400' of pipe to Eliminate deaden line.
- Fix leak on CLA-Valve.
- Install New Regulator on Malpaso rd.
- Installed 7 New Gate Valves.