

**SHEEP CREEK WATER COMPANY**  
**REGULAR BOARD OF DIRECTORS MEETING**  
*May 21, 2024 ~ 6:00 PM*  
**SNOWLINE SCHOOL DISTRICT-BOARD ROOM**  
**4075 NIELSON 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.

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***Meeting Minutes***

- 1) **Open Meeting-** 6:00 PM
  - a. The Regular Board of Directors Meeting of May 21, 2024, was called to order at 6:02 PM by President Andy Zody. General Manger, Joseph Tapia led the Pledge of Allegiance. Director David Nilsen led the Invocation.
  - b. Directors Present:
    - a. Andy Zody is in attendance as Presiding 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.
  - c. Guest Present:
    - a. Shari Kelly
    - b. John Kimminau-Attended, did not sign in
    - c. Peter Barnes
  - d. Staff Present: General Manager Joseph Tapia and Therese Rodriguez, General Manager Assistant, were present.
- 2) **Consent Motions**
  - a. Minutes:
    - a. *Regular Board of Directors Meeting- April 16, 2024*
    - b. *Regular Board of Directors Meeting- April 23, 2024*
  - b. Bills:
    - a. *April 16, 2024 through May 21, 2024*
  - c. Managers' Report: Included in Board Packet

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

Comment by Mr. Barnes regarding meeting minutes and Luanne Uhls comment regarding her family uses less then one share. He quoted her from the recording and information provided that she owns more than one share. Uhl future explained that she does own more then one share and her family does indeed use less than one share.

- 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.

1. Nilsen would like to agendize having Arruda to complete all the necessary documents of the compliance order. Once Well #13 is online, we'll have enough Back-up production to complete the necessary documents.
2. Nilsen would like to donate his service and represent Sheep Creek at the San Bernardino County Fair 4-H/FFA animal auction.
3. Nilsen received many phone calls after the Annual May meeting regarding the costs of the legal fees. Nilsen would like to agendize the need to raise the base rate to cover the costs. The legal fees increase from 1) Domain Name, 2) legal questions from shareholders, 3) lawsuit in small claims court in Barstow, SCWC prevailed, 4) ongoing lawsuit in Superior Court, similar to the Barstow claims.

Nilsen would like to be transparent about ongoing costs and the need to increase our budget line for legal fees.

4. John Kimminau – asked questions regarding who and how the allotment was determined. Discussion followed on how and who determines the allotment – The shareholder vote, based on production and usage, based on state law, based on Maximum Day Demand.
5. Peter Barnes – mentioned the \$50k spent on the letter sent to the State. Barnes is confused as to why the letter was sent. Barnes claims he spoke with someone from the State and SCWC can do what they want with those meters. Board anticipated the cost might be \$50k, but it was far less than that.

Barnes wanted to define the Max Day Demand.

Barnes spoke about the SCWC votes at the Annual Shareholders meeting and who has the voting power.

#### 4) **Old Business**

##### *Information Items:*

- a. System Update - Tapia reported on healthy productions and system updates – see appendix below.
- b. Mojave Water Agency Tour of Facilities

June 4<sup>th</sup> from 1 pm to 4 pm. Joe invited the Board for a ride along.

##### *Action Items:*

- a. 2024 Water Master Plan Approval

Nilsen moved to approve the 2024 Water Master Plan and Uhl 2<sup>nd</sup> the motion. No discussion.

Motion passed.

**5) New Business**

*Information Items:*

- a. EPA Lead Service Line Inventory

The US EPA's Lead and Copper Rule Revisions (LCRR) require all California community (CWS) and non-transient non-community (NTNC) water systems to develop and submit a service line material inventory to the Division of Drinking Water (DDW) by October 16, 2024

- b.

*Action Items:*

- a. 1-New Meter

Postponed until next meeting.

- b. Summer Help

Nilsen moved to approve the Summer Help program and hire help. Uhl second the motion.

Discussion followed – Nilsen explained the importance of the Summer Help program and hiring high school students who most have become employees of SCWC.

Motion passed.

- c. New 8" C900 Main Line Approval- Phelan Rd and Lebec

Williams moved to approve a new line from Phelan Rd. and Lebec to increase fire flow and improve our water system.

Discussion followed – Nilsen noted this was in the Master Plan (since the master plan was just approved, we really don't need a second motion).

**6) Next Scheduled Meeting**

- a. June 18, 2024

**7) Closed Session 6:57 pm**

- a. Personnel Items
- b. Legal Counsel-Lawsuit

**8) Open Session 7:36 pm**

**9) Adjournment 7:37 pm**

Respectfully Submitted,

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

Appendix A:

May 21, 2024

## **PRODUCTION**

- April Production- 38.48 AF- 2024 Year to Date Production- 137.60
- April Meter Service Usage- 30.16 AF; 2024 Year to Date Consumption- 108.40

## **Well soundings, 2024:**

- Static Water Levels compared April 2023 to April 2024:
  - Well 2A.** Static level is up 23 FT
  - Well 3A.** Static level is up 27 FT
  - Well 4A.** Static level is up 23 FT
  - Well 5.** Static level is up 30 FT
  - Well 8.** Static level is up 46 FT
  - Well 11.** Static level is up 1 FT
- Tunnel** the Tunnel flow is currently averaging 235
- Total pumping capacity as of April 2024 is 2,627 GPM.
- Current usage is averaging 327,000 gallons per day, 227 gallons per minute

## **Work Completed or in Progress- April 2024**

- Work orders as office requests
- Well soundings – weekly
- Samples- weekly
- 7- Meter upgrades
- 1- New Meter Install
- Install 260' of C900 pipe and one gate valve to eliminate a dead end line.
- Install new Hydrant
- Install 8'' and 6'' gate valve and 8x6 tee.
- Replace 2'' meter service
- 0-Mainline leaks / 0- service line leaks.
- Working on led & copper Records.
- Well 13 Update:
  - Still Waiting on survey to place power pole, we have all electrical Conduit in stock.
- **Allotment Tier 1 – First share on account remain 750 CF/Share and Remaining shares 150 CF/Share. \$0.65 per hcf**
- **Allotment Tier 2 – 150 CF/Share all shares after Tier 1 \$5.27 per hcf**
- **Tier 3 Overage- No Allotment \$11.00 per hcf**