

**SHEEP CREEK WATER COMPANY**  
**REGULAR BOARD OF DIRECTORS MEETING**  
*June 18, 2024 ~ 6:00 PM*  
**SNOWLINE SCHOOL DISTRICT-PRESCHOOL SERVICES 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 June 18, 2024, was called to order at 6:00 PM by President Andy Zody. Secretary/Treasurer Kellie Williams led the Pledge of Allegiance. Director Eric York 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
    - e. Eric York is in attendance as presiding Director
  - c. Guest Present:
    - a. Shari Kelly
    - b. Scott Kelly
    - c. Peter Barnes- Attended, did not sign in
  - 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- May 21, 2024*
    - b. *Annual Shareholder's Meeting- May 4, 2024*
  - b. Bills:
    - a. *May 21, 2024 through June 18, 2024*
  - c. Managers' Report: Included in Board Packet

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

Motion passed

- 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.

Kellie Williams- is requesting suggestions for the SCWC Newsletter articles. If the shareholders would like Kellie to focus on an article, please let her know.

Joe Tapia - Mojave Water Agency toured our facility and their feedback was very positive and noted our system was very clean; “the cleanest they have seen”.

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

*Information Items:*

- a. System Update
  - a. See Managers Report below
  - b. Update from Edison, conduit is expected first week of July. Permit was received today, July 18<sup>th</sup>, which will be sent to Edison.
  - c. Pipe on shareholders’ property, if you have pictures or pipes to show the company and if we can verify the pipe, we don’t have to dig up the pipe on their property. Reach out to the office for further information.
- b. Increase Base Rate Due to Litigation Costs
  - a. Increase costs – Shareholder using the SCWC website domain name and the shareholder said, “see you in court”.
  - b. Increase in legal questions that were forwarded to our attorney to address.
  - c. Sued in small claims in Barstow, judge ruled in favor of SCWC.
  - d. Superior Court Lawsuit that is continuing (like the one from Barstow).

Zody suggests Assessments

Nilsen suggests a Base Rate

*Action Items:*

- a. 2024 Annual Shareholder Agenda Item- Effective July 1, 2024-Approval
  - i. Shareholder Allotment Option II
  - ii. Choice 1, New Base Rate \$77 per month

At the Annual Shareholder meeting in May 2024, the shareholders voted for Allotment Option II (600 cu ft/share). Nilsen discussed Maximum Day Demand and today production and projecting 10 years in the future.

Nilsen moved to increase the water allotment for all 8,000 shares to 600 cu ft for Tier 1 and 300 cu ft for Tier 2, and Tier 3 is overage. Start the allotment increase July 1<sup>st</sup>. Increase the Base Rate to \$77 will be due on the August billing (per the vote at the Annual Shareholders Meeting in May). Williams 2<sup>nd</sup> the motion.

Motion passed. 5 yes, 0 no.

#### 5) **New Business**

*Action Items:*

- a. 5-New Meters

Zody moved to approve 5-new meters. Uhl second the motion.

Motion passed. 5 yes, 0 no.

- b. Account 1193

Nilsen moved to approve Account 1193 to bill the Tier 1 rate for the month of May due to the situation with the county and fire pulling water from the main line and the area having low water pressure. Pictures and proof were provided that the leak was fixed. Williams second the motion. Motion passed. 5 yes, 0 no.

c. Suspension of Service

Discussion – harassment and hostile from customers to SCWC employees will not be tolerated. Williams moved to Lay on this Table until the next meeting with example policy and procedures has been drafted and approved by the board. Uhl seconds this motion. Motion passed, 5 yes, 0 no.

d. Employee Early Retirement Program

Nilsen moved employees who have worked for the company for more than 25 years are eligible for The Early Retirement Program where the company pays their medical benefits until they are age appropriate for Medicare. Uhl second the motion. Motion passed, 5 yes, 0 no.

e. Part-Time Office Employee

York moved to hire a Part-Time Office Employee. Uhl second the motion. Nilsen discussed the hours mirror school hours for part-time. Motion passed, 5 yes, 0 no.

f. Employee Executive Manager Position

Nilsen moved to the Executive Manger position receive medical benefits, increase in salary, and a work calendar with paid holidays same as the General Manager. Williams second the motion. Motion passed, 5 yes, 0 no.

6) **Next Scheduled Meeting**

- a. July 23, 2024
- b. August 27, 2024

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

- a. Legal Counsel-Lawsuit

8) **Open Session 7:13 pm**

9) **Adjournment**

Uhl moved to adjourn the meeting. York second the motion. Meeting adjourned – 5 yes, 0 no.

Respectfully Submitted,

***Kellie Williams-Secretary/Treasurer***

*Sheep Creek Water Company*

*Board of Directors*

Regular Board of Directors Meeting – Managers Report

June 18, 2024

## **PRODUCTION**

- May Production- 50.02 AF- 2024 Year to Date Production- 187.63
- May Meter Service Usage- 41.38 AF; 2024 Year to Date Consumption- 149.79

## **Well soundings, 2024:**

- Static Water Levels compared May 2023 to May 2024:

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

**Well 3A.** Static level is up 23 FT

**Well 4A.** Static level is up 18 FT

**Well 5.** Static level is up 25 FT

**Well 8.** Static level is up 50 FT

**Well 11.** Static level is up 1 FT

**Tunnel** the Tunnel flow is currently averaging 247 GPM

- Total pumping capacity as of May 2024 is 2,394 GPM.
- Current usage is averaging 435,000 gallons per day, 302 gallons per minute

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

- Work orders as office requests.
- Well soundings – weekly.
- Samples- weekly.
- 3- Meter upgrades.
- 1- New Meter Install.
- Fix Regulator on Sunnyslope & Malpasos.
- Replace 1 service line.
- Auto & Equipment Maintenance.
- Well site & Tank maintenance.
- 1-Mainline leaks / 0- service line leaks.
- Working on DDW service lines Records.
- Hydrant flushing.
- Well 13 Update:
  - Still Waiting on power pole, we have all electrical

Conduit in stock.

VFD and Transformer delivered.

- **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**