

SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
August 15, 2023 ~ 6:00 PM
SNOWLINE SCHOOL DISTRICT- BOARD ROOM
4075 NIELSON RD, PHELAN, CA 92371

Meeting Minutes

- 1) **Open Meeting-** 6:00 PM
 - a. Flag Salute
 - b. Invocation
 - a. The Regular Board of Directors Meeting of August 15, 2023, was called to order at 6:03 PM by President Andy Zody. Director David Nilsen led the Pledge of Allegiance. Director Erik 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. Guests Present:
 - a. Shareholder Peter Barnes
 - b. Shareholder Lisa Halas
 - c. Shareholder Don Fish Jr.
 - d. Deborah and Yasha Philips
 - 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- July 18, 2023*
 - b. Bills:
 - a. *July 18, 2023 through August 15, 2023*
 - c. Managers' Report: Included in Board Packet

Nilsen moved to accept all Consent Motions as presented. Eric York seconded the motion

Motion carried, 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 meeting minutes.

Speaker 1: Andy Zody, Sheep Creek Water Company Shareholders Forum Admins and moderators, Peter Barnes, Diane Hayball, Kathy Everhart. Zody read post(s) from Peter Barnes and clarified some information. Discussion followed.

Andy Zody discussed voting and shares. Zody referenced Board Policy regarding voting and shares. Information on Mojave and Canyon water price structure. Discussion followed.

Speaker 2: Lisa Halas – Corporations Code 400b. Discussion Followed. Submitted to the Board a demand letter and a complaint letter.

Speaker 3: Peter Barnes – Collateral used to obtain the line of credit for the new Well? Hex Chromium 6 above the allowance. Item in closed session must be discussed in open session. Submitted to the board a demand letter. Discussion followed.

4) **Old Business**

Information Items:

a. System Update

System Update – Williams report on healthy productions and system updates – see attachment. Discussion followed.

Peter Barnes Question Well 14 Well update pumping, etc. Discussion followed. Barnes also asked about water loss. Tapia stated the loss of water was due to line and fire hydrant flushing and because of the local fire, Cal Fire, Forestry, San Bernardino County Fire, San Bernardino County Roads uses our water.

b. Water Master Plan Update

Tapia report on that Ardurra is still working on the plan – work in progress. Nilsen would like to have the report available to the community and ready to review before our Annual Shareholder meeting.

c. Robert's Rules of Order Committee

Williams updated on Meeting Notes

5) **New Business**

Action Items:

a. 4-New Meters

Uhl moved to accept all four meters as presented. Eric York seconded the motion. Discussion followed.

Motion carried, 5 yes, 0 no

b. Establish Company Goals for Next Year

Nilsen moved to present two goals for the Board to review and take action at the next meeting for Goal #1 Compliance Order and Goal #2 The Master Plan. Williams seconded the motion. Discussion followed.

Motion carried, 5 yes, 0 no

c. Future COLA

Nilsen moved to give the SCWC employees a 6% COLA increase as of September 1, 2023. Williams seconded the motion. Discussion followed.

Motion carried, 5 yes, 0 no

d. New Meter Rates

Zody moved to postpone the New Meter Rates until SCWC budget has been set. Nilsen seconded the motion. Discussion followed.

Motion carried, 5 yes, 0 no

Information Items:

a. Billing Software

Rodriguez updated with quotes for a new billing software \$16k plus. Rodriguez suggests this is expensive. Williams updated on the current billing software. Discussion followed.

Barnes asked if the new software would address data retrieval. Discussion followed.

b. Preliminary Operating Budget Discussion

Nilsen would like the entire board to get together and discuss next year's budgets. Discussion followed.

6) **Next Scheduled Meeting**

- a. September 19, 2023

7) **Closed Session return from a close session at 7:21**

- a. Personnel Items
- b. Employee Evaluations
- c. SWRCB Negotiations

Nilsen moved to modify the SCWC employees to a 6% COLA increase as of January 1, 2024. Williams seconded the motion.

Zody apologized to Mr. Barnes and the meeting members regarding his statements earlier.

8) **Adjournment**

Nilsen adjourned the meeting at 7:24. York seconded the motion.

Motion carried, 5 yes, 0 no

Respectfully Submitted,

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

Attachment:

August 15, 2023

PRODUCTION

- July Production- 64.98AF- 2023 Year to Date Production- 311.62
- July Meter Service Usage- 51.27AF; 2023 Year to Date Consumption- 244.72

Well soundings, 2023:

- Static Water Levels compared July 2022 to July 2023:

Well 2A. Static level is up 32.34 feet – Water Level 248.59

Well 3A. Static level is up 32.34 feet – Water Level 252.10

Well 4A. Static level is up 12.34 feet – Water Level 279.82

Well 5. Static level is up 32.34 feet – Water Level 258.30

Well 8. Static level is up 37.75 feet- Water Level 271.37

Well 11. Static level is down 2 feet – Water Level 947'

Tunnel the Tunnel flow is currently averaging 175

- Total pumping capacity as of July 2023 is 2,228 gpm.
- Current usage is averaging 538,000 gallons per day, 374 gallons per minute
- **Allotment Tier 1 – First share on account remain 750 CF/Share and Remaining shares 150 CF/Share. \$0.55 per hcf**
- **Allotment Tier 2 – 150 CF/Share all shares after Tier 1 \$4.50 per hcf**
- **Tier 3 Overage- No Allotment \$10.00 per hcf**

Work Completed or in Progress-July 2023

- Work orders as office requests
- Well soundings – weekly
- Samples- weekly
- 2- Meter upgrades
- 0-Mainline leaks / 3- service line leaks
- Well 8 Re-Wiring and Plumbing
- Hydrant Flushing
- End of Line Flushing
- Valve Exercising
- Well 13 Update:
 - Casing Complete
 - Sanitary Seal Complete
 - Airlifting and Swabbing Complete