

SHEEP CREEK WATER COMPANY
REGULAR BOARD OF DIRECTORS MEETING
August 19, 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 August 19, 2025, was called to order at 6:01 PM by President Andy Zody. General Manager Joe Tapia led the Pledge of Allegiance. Director David Nilsen 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.
- c. Guest Present:
 - a. Peter Barnes
 - b. Johnnie Fogo
- 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- July 15, 2025*
- b. Bills:
 - a. *July 15, 2025 through August 19, 2025*
- c. Managers' Report: Included in Board Packet

Dave Nilsen moved to accept the Bills, Managers Report and Minutes as presented. Kellie Williams 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 read strategies for Funding Future Wells Without Increasing Fees or Assessments for Water Users:

- 1) *Allocate meter installation fees collected during the upcoming year to reimburse the general fund for costs associated with connecting Well #13. The Board of Directors should ensure that, through the budgeting process over the next two years, water users are charged appropriately for company maintenance in line with shareholders' directives.*
- 2) *I recommend adjusting the meter installation fee during budget planning to \$10,000 for a 1" meter and \$15,000 for a 2" meter. These fees should be reviewed annually and increased as necessary to account for inflation.*
- 3) *After two years, these fees should be deposited into a dedicated account that accrues interest to build reserves for future well projects. Once the company collects fees for 200 new meters, the funds should be used to drill an additional well. Following this, the same savings mechanism would apply for future wells, ensuring that new meter customers contribute to these initiatives.*
- 4) *The special account may also be utilized for essential water company upgrades, including water lines, well rehabilitation, tunnel repairs, and tank maintenance. Should the company need to borrow from this account, for instance, to fund a \$200,000 tank rehabilitation project. Repayment must occur within five years through the regular budgeting process, including interest.*

These suggestions reflect my professional perspective, and I welcome feedback from the Board of Directors. Upon development of a final proposal by the Board, we should present it to our shareholders for their consideration and approval at the annual meeting.

4) Old Business

Information Items:

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

5) New Business

Action Items:

- a. Account 55

Nilsen moved to approve charging Account #55's July 2025 overage at the Tier 2 rate. York seconded the motion.

Motion passed 4 yes, 0 no

- b. Shareholder Request

A customer (Park) who purchased three new meters six months ago has requested, due to personal circumstances, that their required base rate payment be further postponed.

York moved to approve postponing the base rate for this customer. Williams seconded the motion.

Motion passed 4 yes, 0 no

c. 2-Meters

Nilsen moved to approve the two meters as presented. Williams seconded the motion.

Motion passed 4 yes, 0 no

d. Parcel Main-Line Extension Request

No action by the board

6) Next Scheduled Meeting

a. September 16, 2025

7) Closed Session 6:20 pm

- a. Steinmann Property Negotiations
- b. Employee Evaluation

8) Adjournment 6:45 pm

Nilsen made a motion to adjourn the meeting, which was seconded by York. The meeting was adjourned at 6:45p.m.

Respectfully Submitted,

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

Regular Board of Directors Meeting – Managers Report

August 19, 2025

PRODUCTION

- July Production- 66.68 AF- 2025 Year to Date Production- 373.56
- July Meter Service Usage- 63.41 AF, 2025 Year to Date Consumption- 287.22

Well soundings, 2025:

- Static Water Levels compared April 2025 to July 2025.

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

Well, 3A. Static level is up 10 FT.

Well, 4A. Static level is up 2 FT.

Well, 5. Static level down 5 FT.

Well, 8. Static level same FT.

Well, 11. Static level is Down 10 FT.

Well 13. Static level is up 5 FT.

Tunnel the Tunnel flow is currently averaging 403 GPM.

- Total pumping capacity as of July 2025 is 2,552 GPM.
- Current usage is averaging 666,500 gallons per day, 463 gallons per minute.

Work Completed or in Progress- July 2025

- Work orders as office requests.
- Well soundings – weekly.
- Samples- weekly.
- 4- Meter upgrades.
- 4-Mainline leaks / 3- service line leaks.
- Meter Maintenance.
- 2-Service Line Replacement.
- Auto Maintenance.
- Equipment Maintenance.
- Well 13 Update:
 - Install Eyewash Station.
 - Install Air vent
 - Permit.
- New Rates go into effect January 1, 2025.
- Allotment Tier 1 – All share 600 CF. Tier 1 \$0.72 per hcf
- Allotment Tier 2 – 300 CF. Tier 2 \$5.80 per hcf
- Tier 3 Overage- No Allotment. Tier 3 \$11.00 per hcf