



**10th Annual General Assembly
Asociación de Vecindados en Tecamatlán, A.C.**

Time: February 24, 2009 9:30 A.M.

Place: Chapala Golf & Country Club, Municipio de Chapala

Members Present:

Nita Bedell
Richard Bedell
Michael Connell
Lana Ehlebracht
Ernest Gerenda
Freda Gerenda
Elizabeth Handy
Efigenia Hawkins
Joaquin Hawkins
Ross Hossie

John Kelly
Dan Kralik
Larry Lacelle
Sandra Lacelle
Bernard Leader
Dolores Leader
Russell Loop
Ruth Ann Loop
Ron Magen
Earl McCamis

Larry Pellegrini
Lindy Pellegrini
Britt Proud
Doug Reno
Bonnie Rohac
Dave Thomson
Lynda Thomson
Kathryn Vine
Robert Webb

Members Represented by Proxy:

Gary Guckerman
Mary Guckerman
Chris Kimm

Kristen Kimm
Rick Ryan
Connie Volden

Duane Volden

CALL TO ORDER

A quorum was reached and Bernard Leader called the meeting to order at 10:00 A.M. Bernard Leader appointed himself president of the Assembly and Lana Ehlebracht as Secretary.

**APPOINTMENT OF THE PROXY SCRUTINEERS AND VOTE TABULATORS
OF THE ASSEMBLY**

Ron Magen and Doug Reno were appointed Vote Tabulators.
Dolores Leader and Lana Ehlebracht were appointed Proxy Scrutineers.

READING OF THE MINUTES

Bernard Leader proposed that the minutes of the last meeting are available on the website therefore they may not have to be read at this meeting. Richard Bedell **moved** to waive the reading of the minutes of the last Annual Meeting. Lynda Thompson seconded the motion. Dolores Leader made note that Helen Ness did attend the AGM last year and the minutes should reflect that. Lynda Thompson **motioned** to accept the minutes as amended. Bonnie Rohac seconded the motion. The motion passed unanimously.

NEW MEMBERS

Bernard Leader noted that the following have not completed their paperwork and are not members: Carmen Bonda, Martin Bonda, Graciela Bonda, Fernando De La Fuente, Jose Hernandez Claire

PRESIDENT'S REPORT

Bernard Leader presented his report as it is presented on the website.

Dan Kralik **moved** to accept the Presidents Report, Ross Hossie seconded the motion.

Discussion:

Ernest Gerenda asked when the six month trial period of supplying Tlachichilco with water is up. Bernard Leader responded the period is up now. Ernest asked if we want to continue with this arrangement. Bernard stated that for the previous two weeks we have not supplied them with any water, as they have made repairs to another well source and have not required water from us. Poncitlan's name is now on the electric bills on the two main wells. Ernest asked why the third well is not included. Bernard responded that the third well is not of major concern at this time

The motion to accept the Presidents Report was unanimously approved.

Ernest Gerenda asked to discuss the C.N.A. taxes withheld. Bernard Leader said this subject would be discussed in depth at a later point in the meeting.

WATER COMMISSIONERS REPORT

Bernard Leader presented the Water Commissioners Report. Bernard Leader recognized Doug Reno and Ron Magen –for their assistance while he was on vacation.

Ernest Gerenda **motioned** to accept the Water Commissioners Report and Ross Hossie Seconded the motion.

Discussion:

Katherine Vine asked about the electric rate. John Kelly asked for clarification of what is going on with Poncitlan. Bernard Leader stated the rate had been reduced to 1.1 from 3.3. The rate had been reduced as a result of negotiations with Poncitlan to supply water to Tlachichilco. The two main meters are in Poncitlan's name. Poncitlan tells us the C.N.A. issue is now Poncitlan's responsibility because the electric meters are in Poncitlan's name. Dan Kralik asked if we are in danger of losing ownership of the wells. Bernard responded that we have been trying to get Poncitlan to take the wells. Ron Magen noted that the applications of the well concessions are still in our names. Katherine Vine asked if we had paid the extraction tax. Bernard answered 'no'. Ernest Gerenda stated the wells require lots of money to operate and repair. It would be better for S.I.M.A.P.A. to take over. Katherine Vine suggested the wells may need decalcification for improved operation. A man at an all fracc meeting said it might cost 70,000-75,000 pesos with a one week turn around.

The motion to accept the water commissioner's report unanimously carried.

TREASURER'S REPORT

Dolores Leader presented her report as it is presented on the website. Katherine Vine **motioned** to accept the Treasurers Report. Britt Proud seconded the motion and the motion carried unanimously.

Commisario's Report

Bernard Leader delivered the Commisario's Report on behalf of Mike Jones, who was unable to attend.

Ernest Gerenda motioned to accept the Commisario's Report. Earl McCamis seconded the motion.

Discussion:

Ernest Gerenda suggested that the collected but yet to be paid out monies continue to be withheld for future projects, such as the connection of the eastern and western systems. Bernard stated that this issue will be addressed in depth at a later point in the meeting. The motion carried unanimously.

Bernard Leader started asking for motions.

Bernard asked for a motion from the floor to approve the budget and funds to be paid out of existing funds as presented.

Dolores reviewed the budget as follows:

Office	9,000
Notice of meeting	2,500
Legal	25,000
Notary	7,500
Translator	3,500
Accounting	4,000
Bank Charges	<u>3,500</u>
Total	60,000 same as last year

Britt Proud **motioned** to accept the budget and funds to be paid out of existing funds.

Katherine Vine seconded the motion.

Discussion:

Dan Kralik asked can we approve the budget before deciding on the audit. The cost of the audit would materially affect the numbers in the budget. Ernest Gerenda stated that the law requires a state approved audit be performed. Bernard Leader stated the audit should happen when Dolores transfers the books to the next treasurer not in mid-term. Katherine Vine stated we have one year before Dolores leaves and that is when the audit should be performed.

Bernard called for a **motion within a motion** to audit the books for end of year 2008.

Discussion:

David Thompson stated that having been involved in the statements and audits in the past, the cost of the audit would probably run 20,000 pesos. The audit would serve to protect Dolores. We have a lot of reserve account in the C.N.A. and extraction tax. All are easily auditable by our own membership. One or two of our members could verify the

books. The operating account, 60,000 pesos a year divided by the number of members is about 500 pesos per person or roughly \$50 USD.

Bernard asked for a vote on the motion within the motion to audit the books for end of year 2008.

Four voted in favor of the audit. The remainder voted against the audit.

The motion to audit for end of year 2008 failed.

Bernard asked for comments on the motion to approve the budget and funds to be paid out of existing funds.

Discussion:

David Thompson asked if we pay out of existing funds will there still be funds on hand at the end of year 2009. Dolores responded 'yes', there is 210,000 pesos in operating funds. The motion carried unanimously.

Bernard asked for a motion from the floor to approve the connection of the eastern and western water systems. The estimated cost from Poncitlan's engineer with two inch metal pipe is 150,000 pesos to be provided from funds on hand. Katherine Vine **motioned** for the two water systems to be connected and the expense to be paid from funds on hand.

Dan Kralik seconded the motion.

Discussion:

Ernest Gerenda asked the importance of connecting the systems. Bernard answered by connecting the systems we provide continuous water supply when parts are under repair. We connect the systems so we have redundancy and then address the problems.

Katherine Vine asked where the funds to do this will come from. Bernard replied the funds come out of capital and operating accounts. David Thompson stated the redundancy is good and asked as to the feasibility of drilling another well in the western district. Bernard replied it is very expensive to drill a new well, it is not a practical solution.

The motion carried unanimously.

Bernard asked for a motion from the floor to return cash or credit member accounts for convenio funds collected for 2004-2008 period with interest less outstanding balances.

Dan Kralik **motioned** to return cash or credit member accounts for convenio funds collected for 2004-2008 period with interest less outstanding balances. Katherine Vine seconded the motion.

Discussion:

Ernest Gerenda stated we should leave the monies where they are. We are not hurting with the monies where they are and we will need the funds for future use.

Bernard responded the A.C. is a non-profit and having this amount of money may cause unwanted attention.

Ernest suggested we spend the money on system improvements.

Bernard replied this is mixing apples and oranges. We are not going to pay this out as originally intended, so it needs to be returned to the members.

Doug Reno stated the convenio funds and other funds are there because the A.C. membership has agreed to do this. The A.C. membership must decide if it wants the money returned and then let the members decide what they want individually.

Ernest stated the lawyer for the group of twenty-three had advised collecting fees but not paying them out.

David Thompson clarified the fees Ernest Gerenda was referring to were fiesta fees only. He agreed the collected convenio fees should be returned to the members. There is a possibility a board in the future might decide to do something other than its intended purpose with the money. Dolores stated there is 321,000 pesos in the convenio fund. Dan Kralik stated he thought the funds should be disbursed.

The motion carried unanimously.

Bernard asked for a motion from the floor to allow the Board to pay out the collected extraction tax by June 30th, 2009, if we have no resolution.

Dan Kralik **motioned** at Board's discretion any funds remaining in extraction fund account on June 30th, 2009 will be returned to members on a proportional basis. Russell Loop seconded the motion.

Discussion:

Ernest Gerenda spoke against the motion. He stated that he wanted the money to stay where it is. Dolores stated there is about 600,000 pesos in the fund. Doug Reno stated if C.N.A. at some time in the future says we owe this amount, the funds are gone if returned. David Thompson stated the risk of keeping it is the risk of a lawsuit attacking it. There may be protection in a trust account but it is in a general account which is vulnerable. Mike Connell asked if the fund would be returned similarly to the convenio funds, a credit to member account. Bernard replied with such a large sum he would rather return the monies directly. Doug Reno followed by saying lawsuits are jointly and severally filed and a lawsuit would attack the A.C. and the membership with the credit on account option. Bernard stated with Poncitlan's name on the account, the C.N.A. problem should be satisfied as far as the A.C. is concerned. Ron Magen stated in the past C.N.A. has negotiated with municipalities down to ten percent.

The motion carried unanimously.

Bernard Leader asked for a motion for Lana Ehlebracht as Secretary of the Assembly to approach a Notary to create an acta from the minutes of this meeting and enter it into the Registro Publico., David Thompson **made the motion**, Dan Kralik seconded the motion. The motion carried unanimously.

Bernard Leader thanked the members for such a good turnout.

Dan Kralik **motioned** to adjourn the meeting, Bonnie Rohac seconded the motion.

The motion carried unanimously at 11:30A.M.

Respectfully submitted,
Lana Ehlebracht, Secretary