

ASOCIACION DE AVECINDADOS EN TECOMATLAN, A.C.

ANNUAL GENERAL MEETING

**TIME: MARCH 14, 2013, 1:00 PM
CHAPALA GOLF & COUNTRY CLUB,
MUNICIPIO DE CHAPALA**

CALL TO ORDER

A quorum was reached and Ernie Gerenda called the meeting to order at 1:30 p.m. and appointed himself President of the Assembly and Joaquin Hawkins as Secretary of the Assembly.

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

Treasurer Mike Jones and Comisario John Kelly were appointed as Proxy Scrutineers. Ray Miller and Dan Kralik were appointed as Vote Counters.

READING OF THE MINUTES

Ernie Gerenda proposed that the minutes of the last Annual General Meeting were available on the website therefore they might not have to be read at this meeting. Kathryn Vine moved to waive the reading of the Minutes. Earl McCamis asked if we now needed more legal advice compared to past years. Ernie reminded everyone that a Legal Review Committee had been recommended in 2012 and since there were no volunteers, this matter was now a dead issue. Tom Mills seconded the motion. The motion passed unanimously. No abstentions.

PRESENTATION OF NEW MEMBERS/REMOVAL OF MEMBERS

Ernie Gerenda noted that we have no new members or any applications for membership. He stated that the homes of Jose Hernandez Claire and Ana Villasenor are still under construction at this time.

PRESIDENT'S REPORT

Since the report for 2012 was posted on our website a few weeks before the meeting, there were no questions and no discussion. A motion to approve the President's

Report for 2012 was made by Kathryn Vine and seconded by Dan Kralik. The motion passed unanimously. No abstentions.

WATER COMMISSIONER'S REPORT

Dan Kralik made a motion to approve the Water Commissioner's Report for 2012. Tom Mills enquired about the current state of the La Calma well site. Doug Reno replied that it is satisfactory although we have to cautiously monitor and manage demand or otherwise, the distribution system could break down. Earl McCamis basing his query upon his 18 years of living in this area questioned if over usage or high demand was really the problem. Ernie Gerenda responded by saying that we had collected data showing very high usage and noted that the past is the past and we have to be concerned about the present and the future. He also noted that many shoreline communities are experiencing similar problems. Furthermore, unlike other communities where water is rationed we have been providing water 24 hours a day at the cheapest rates. Doug Reno added that the American Well Drillers Association estimates that a good well's anticipated life span is about 20 years. The LaCalma well is about 17 years old and the La Huerta well is even older. Doug emphasized that the age of the LaCalma well is not a problem right now, but the demand on it is causing the system to falter. Earl McCamis asked why not simply dig a new well. Ernie responded that insecure land titles is a serious problem. Jeanette McCamis pointed out that a new well needs to be drilled within 500 meters of the well being replaced. The motion made to approve the Water Commissioner's Report for 2012 was seconded by Tom Mills. It passed unanimously. No abstentions.

TREASURER'S REPORT FOR 2012

Dolores Leader made a motion to approve the Treasurer's Report for 2012. It was seconded by Lana Ehlebrecht. It passed unanimously. No abstentions.

WATER COMMISSIONER'S RECOMMENDATIONS FOR 2013

A motion was made to approve the recommendations by Kathryn Vine. It was seconded by Lana Ehlebrecht. It passed unanimously. No abstentions.

TREASURER'S PROPOSED BUDGET FOR 2013

A motion was made by Ron Jones to approve Water Operations Budget for 2013. Ernie Gerenda, using a pie chart developed by Doug Reno showing the history of water usage in percentages explained fully why a three-tiered system is needed. Those present voted in support of a tiered rate which will be 10 pesos for each m3 to

85 m3. From 86 to 130 m3 of water the rate will be 15 pesos for each m3. Above 131 m3, the rate will be 20 pesos per m3 He went on to explain again how other lakeshore communities are having similar supply issues, and that they were charging more while still rationing the water. The motion to approve the budget was seconded by Kathryn Vine. It passed unanimously. No abstentions.

A motion was made to approve the 2013 budget regarding Capital Improvements by Ruth Reno. The assessment is 7,230 pesos, half which is due now and, the remaining balance of 3615 pesos is due June 15th. No discussion followed. Kathryn Vine seconded the motion and it was passed unanimously. No abstentions.

A motion was made to approve projected Administrative costs for 2013 by Dolores Leader. Mike Jones explained the 50,000 pesos for legal fees has given us secured titles for each well and permits for extracting water. The amount will be 909 pesos for the year. What we need now is more legal protection by Poncitlan giving us the right to operate as a company within the municipality. He stated that our attorney is currently working on this and the cost could be anywhere from 15,000 to 50,000 pesos. Also, he pointed out that the 24,000 pesos was required for monthly contracted accounting needed to comply with the requirements of the Secretary of the State of Jalisco (SCT). The motion for approval was seconded by Dan Kralik and it passed unanimously. No abstentions.

THE WATER CONSERVATION PROGRAM

Ernie Gerenda stated that this report was information for our members and therefore did not require a vote. We have collected data which in some cases show that some gardeners take advantage of their property owners when they are away and use an exceptional and unexplainable amount of water. The Board even considered introducing a policy of restricting an amount of water to a residence when the owners were away for a long period of time. We all need to think seriously on how we are using water. Obviously a Conservation program is the answer.

PROPOSED CHANGES AND AMENDMENTS RELATING TO BILLING AND PAYMENTS

Article 5.1.11 states that a delinquent account shall be penalized 2% per month, compounded for all assessments and water accounts. The proposed amendment was to elevate this penalty to 20% and to regard an account as delinquent if payment is not made within 10 days of the billing date. The purpose was to expedite payments so that the operating budget and capital improvement projects could proceed unhindered. The President withdrew the proposed amendment since it was addressed by other amendments and because it prompted a great deal of discussion.

Article 38 Billings and Payments states that: should a user fail to pay two consecutive bills, he will be considered to have waived his right to receive the water service and the water service will be restricted until the bills have been paid and an additional deposit has been made. The Association has the right to collect the amount due through whatever means it considers appropriate.

After some discussion, Article 38 has been amended to read as follows:

Should a user fail to pay a bill within 60 days, the water service will be terminated and an additional deposit fee of 1000 pesos would have to be paid to resume service.

Article 38 presently states that: the user must pay the Association in cash for the water service rendered within the first fifteen days of the billing date.

After some discussion, the amendment now states: that the user must pay the Association for the water service rendered within 10 days. Also, part time residents will be required to make their financial arrangements with the Treasurer, subject to Board approval.

Ernie Neely suggested making Actinver a centralized center for payments. Mike Jones, our Treasurer had no problem with the suggestion but members would have to notify him that they have made the payment, indicating the amount and actual day of deposit since Actinver does not record who makes deposits. The account number is 506055. The name is ASOCIACION DE AVECINDADOS EN TECOMATLAN, A.C.

A motion to approve the amendments was made by Kathryn Vine, seconded by Dan Kralik. It passed unanimously. No abstentions.

PROPOSAL FOR AN AC PUBLIC RELATIONS TASK FORCE

Ernie Gerenda spoke briefly on the written proposal to see if the members wanted to form an AC Task Force to investigate and to see what we as an united AC group could do to enhance our prospects for our land titles. The goal would be to achieve whatever we can without involving any more lawyers. We would also approach high officials in a very positive manner to enlist their support.

Dan Kralik was granted an opportunity to speak to the members. He shared his frustrations with the Comuneros and their Mesa. He and Tony have been active, giving direction and encouraging the unhappy villagers to speak out and sign a petition seeking to remove the present Comuneros from office and to take steps to visit officials that might be able to help and settle our land claims. He asked the AC to support this movement financially and suggested that we should consider firing our domestic help and gardeners.

Ernie responded saying that putting pressure on high officials might do more to resolve an issue. He also expressed some concern and warned that getting involved at a local level could backfire particularly if the opposition can lay claim that this was all initiated by the “foreigners”. In any case, he stated that this is the reason why an AC task force is needed to look and consider any number of proposals. We would be happy to consider any proposals from our members.

A motion was made by Kathryn Vine to accept the proposal, seconded by Jeanette McCamis. It was passed by a large majority although four of our members voted against it. There were no abstentions.

NOMINATION AND APPOINTMENT OF AC OFFICERS

All the present officers have agreed to serve out their terms until 2014. There were no nominations or candidates for any of the positions.

REPORT BY THE COMISARIO

John Kelly reported that he had audited the financials and administrations of the AC Board, attended well over half of the meetings in 2012. He had concluded that the AC is in compliance with all the requirements.

DESIGNATION OF A DELEGATE TO ANOTIZE THE MINUTES AND NOTARIZE THE SAME

Ernie asked for a motion to have Joaquin Hawkins, our Acting Secretary of the Assembly approach a Notary to create an Acta from the Minutes of this Annual General Meeting and enter it into the Registro Publico.

This motion was moved by Ruth Reno and seconded by Jeanette McCamis. It was passed unanimously. No abstentions.

ADJOURNMENT

Ernie Gerenda thanked everyone for attending the meeting and thanked all the members of the Board for their hard work. Kathryn Vine moved to adjourn the meeting and it was seconded by Ruth Reno. The motion carried unanimously. No abstentions. The meeting was adjourned at 3:40 pm.

We want to take this opportunity to thank Lynda Thomson for her assistance and particularly her creative genius as she handles our web site. We cannot find enough superlatives to tell you how valuable she is to our organization. Muchas Gracias!

MEMBERS PRESENT

**Jeffrey Carroll
Lana McCoy Elebrecht
Randy Fleigel
Gloria Gene George
Ernest W. Gerenda
Mike Jones
Joaquin Hawkins
John Kelly
Dan Kralik
Barney Leader
Sandra Lacelle
Earl McCamis
Ray Miller
Thomas Mills
Ernie Neely
Stan Proud
Ken Quinn
Melvin Reno
Kathryn Vine
Darlene Webb**

**Proxies
Rodney Brooks
Tom Gallier
Elizabeth Handy
Larry Pellegrini
Bonnie Rohac
Lynda Thomson**