

**Asociación de Vecindados en Tecamatlán, A.C.**  
**17<sup>th</sup> Annual General Assembly 2018**  
**January 29, 2018**

**Casa Jones, Tlachichilco del Carmen, Jalisco**

The meeting was called to order by acting President Ray Miller at 9:10 AM. Bob Esseltine was designated the vote counter and Lynda Thomson will record the minutes of the meeting.

**Board Members Present:**

Ray Miller	Acting President
Mike Jones	Acting Treasurer
Bob Esseltine	Water Commissioner
Melvin D. Reno	Director-at-Large

**Members in Attendance:**

Bob Esseltine  
Ray Miller  
Lynda Thomson  
Melvin D. Reno  
Mike Jones  
Kathryn Vine  
Dan Kralik  
Larry Pelligrini  
Darlene Webb  
Britt Proud  
Barney Leader  
Russ Loop  
John Paul Dwyer

**Guests in Attendance:**

Cheryl Miller  
Dalia Zepeda  
Dave Thomson  
Rosalind Vant Pelligrini  
Toni Kralik  
Ruth Ann Loop  
Randy Fleigel

**Minutes**

Acting President Ray Miller opened the meeting at 9:10 A.M. when a quorum of members was in attendance at the AGM. Rules for the meeting will follow Roberts Rules of Order – facilitated by all members of the Board of Directors in attendance. The rules for procedure are as follows:

- 1) Any new subjects for consideration will be recognized as New Business. New subjects coming up in another discussion will be added to a “parking lot” list until New Business time.
- 2) Voting Procedure: Since all details were sent out in advance, no reports will be read aloud. Items that appear on the Agenda that were provided to the membership via the advanced ballot – The member making the motion will be announced, then the motion read, and the member who seconded the motion. The vote counter will then announce the results of the voting on this matter. Then the item will be opened for discussion from the floor.

If there is any discussion on the item on the agenda following the announcement of the voting results, this should have 1 or 2 purposes. First, it should be for clarification. Second – If a member present wants to introduce a motion to be taken to the entire membership concerning this agenda item – this member will be have 3 minutes to present their motion. If the motion receives a second by an eligible voting member, then a time for discussion will occur. To respect members' time, all questions/com-

ments should be restricted to no more than 3 minutes each. After 3 minutes of comments by 1 person, they will be reminded to wrap it up as quickly as possible.

Following the discussion, a vote will be called on the motion of those voting members present today. If the motion receives a majority of yes Votes of those eligible voting members present, following this AGM, the motion will be sent to the entire membership using an electronic ballot, providing 1 week for this voting. The results will be sent out to all members utilizing email, posted to the AC website and become record in this AGM minutes.

3) Under New Business -The voting procedure: Any motions introduced from the floor, the member making the motion will have 3 minutes to present their motion. If the motion receives a second from an eligible voting member, then the motion will be open for discussion. Again, to respect members' time, the same time limits mentioned previously will apply. Following discussion a vote will be called. If the motion receives a majority of yes Votes of those eligible voting members present, following this AGM, the motion will be sent to the entire membership using an electronic ballot, providing 2 weeks for this voting. The results will be out to all members using email, posted to the AC website and become record in this AGM minutes.

Dalia Zepeda was introduced as the contracted part-time Administrator/Assistant for the Asociación in 2018. Nicolas Padilla has been contracted to be the accountant for the Asociación for 2018.

## **Motions Before the AGM**

**Motion 1:** To accept the minutes of the 2017 AGM (as posted on the website)

Made by: Ray Miller

Seconded by: Doug Reno

Discussion: No discussion.

Vote Results: 31 for, 1 against. Motion is passed.

**Motion 2:** To approve the proposed Amendments to the Constitution (as distributed)

Made by: Ray Miller

Seconded by: Doug Reno

Discussion: No discussion.

Vote Results: 29 for, 3 abstain. Motion is passed.

**Motion 3:** To approve the proposed Amendments to the By-laws (as distributed)

Made by: Bob Esseltine

Seconded by: Ray Miller

Discussion: No discussion.

Vote Results: 32 for – unanimous. Motion is passed.

**Motion 4:** To accept the 2017 Water Commissioner's Report (as distributed)

Made by: Ray Miller

Seconded by: Doug Reno

Discussion: Bob provided an update on his report of changes that have occurred since it was sent out. The report stated there were 18 “Vacant” Lot owners who had paid up, that number is revised now to 30. After the purge of some perpetually delinquent Lots, there remains a total in the Asociación of 83 Lots (not 71) that are continuing their support as fully paid up. This changes the estimated value of the system (based on “Replacement Cost”) to each Member's lot at somewhere between \$67,500 and \$72,300. Bob was also asked for his overall impression of the condition of the system. He replied that the system is now very stable and proving to be reliable if you exclude the chronic problems we seem to have with the CFE electrical grid. The greatest remaining problem is the “unaccounted for” measurement of water extracted vs. billed. The meter replacement/relocate program is almost complete in La Calma but there are still a few old meters to replace and relocate in La Huerta. A couple of examples were cited, the Dwyer apartments meter was found to be reading 26% low when checked against a new replacement meter and the master meter for the Villas proved to be reading 35% low.

Vote: 31 for, 1 abstain. Motion is passed

**Motion 5:** To accept the 2017 Treasurer's Report (as distributed)

Made by: Doug Reno

Seconded by: Bob Esseltine

Discussion: There was a question about the 2018 budget for the AGM category. Ray responded that this budget line item is for costs related to translation and notary fees (protocolizar) of the minutes of our AGM. There was a question on the 2017 Treasurer’s report on “Admin” charges - \$200,000 pesos under Capital Projects. For 18 years the AC was non-compliant with CONAGUA with the collection and payment of extraction taxes. A considerable sum was owed and our account had to be made current or we were in danger of not being able to retain our well titles. To help us raise the funds to settle the account, a Special Assembly was called in 2016 and a Special Assessment for this purpose was approved. To assist in moving forward on this settlement quickly, several members generously loaned (advanced) the Asociación money. Following the settlement with CONAQUA in 2016, in 2017 these loans were repaid. The only area we had in our accounting system to track these revenues and expenses were the Capital Projects category. This line item in the report is the repayment of those loans back to those Members.

Vote Results: 31 for, 1 abstain. Motion is passed.

**Motion 6:** To approve the 2018 Budget and contracts of Dalia Zepeda and Nicolas Padilla (as distributed)

Made by: Doug Reno

Seconded by: Bob Esseltine

Discussion: Ray indicated that regarding the loan payments and interest, as the 2018 assessments are prepared, any loan interest due will be deducted from their total owing, with detail showing on their statement. Ray noted that approval of the 2018 budget would include the contracts for both Dalia Zepeda and Nicolas Padilla.

The way the original Constitution was written, established our A.C. primarily as one delivering social services. However, the main purpose of our A.C. for many years and moving forward is to provide water delivery services to our members and is a small non-profit "rural water company". All A.C.'s that are primarily providing social services (example, Orphanages, food programs, etc.) come under the State agency of IJAS (Instituto Jalisciense de Asistencia Social). As of 2 years ago, federal laws governing the operations of social service A.C.s. In Jalisco, these laws and A.C.'s fall under IJAS overview. We were advised that due to this it would be required of our A.C. to revise/replace our constitution to be in compliance with the new laws governing A.C.'s covered by IJAS. We were advised that the costs to do this would exceed \$120,000 pesos. Nicolas Padilla (our new accountant) and Dalia in reviewing this matter on our request indicated that since we are primarily an A.C. providing water delivery services to our members, that we should not fall under the IJAS agency and recommended that a small addition to our current Constitution (put before our members and approved as part of this AGM) would make us compliant with current laws. The A.C. attorney concurred with this advice. Their advice saved the A.C. a substantial sum of money and time. Thank you.

Early in 2017 we were of the understanding that the CONAGUA water tariffs moving forward would be based on consumption. However, in a meeting on Friday January 19<sup>th</sup> with representative of CONAQUA and our attorney we were told that moving forward that they are based on concession amount. As part of the Title (concession) renewal process during 2016, the board revised the concessions to amounts believed to be more appropriate going forward. We were not pleased and explained in the meeting that this put the A.C. in a position that collected all of 2017 assessments for the CONAQUA Tariffs based on consumption. And now we are being told it will be calculated on the concession amounts that are approximately double the cost. As a result, we expect the tariffs for 2018 will be roughly double what we were collecting last year. This will require the assessment collected as a "pass-through" for CONAQUA tariff to be revised for 2018 from the \$3.25 to approximately \$7.10. The final figure will not be known until the A.C. receives the recalculated 2017 CONAQUA tariff invoices, and is advised of the new 2018 rate. The Board will continue its effort to obtain "Agency" status with CONAGUA which would change our rate to that of a "Municipality", which is below 1 peso. Dalia suggested that our Constitution could be changed to add the Agency verbiage within the existing Constitution. This is something we will consider and pursue. Getting Agency status would significantly lower our water tariffs. At this time, CONAQUA has not provided us with a definitive timeline for this process we started in 2017. Still unknown is whether obtaining "Agency" status would let us pay by consumption rather than concession, we just don't know yet. Doug Reno mentioned that even with the possible water increase, having a truck deliver water to your aljibe (water tank) would still be much more expensive. It was also reported that it usually takes 2 months to get the AGM minutes finalized, translated and notarized before we can go to the bank with legal documentation for any required banking signature changes of the AGM.

Vote Results: 21 for, 10 against, 1 abstain. Motion is passed.

**Motion 7:** To accept the 2017 Member's Comisario Report (as distributed)

Made by: Ray Miller

Seconded by: Doug Reno

Comments: Ray mentioned that in Mexico a "Legal Comisario" is usually the licenced accountant who takes care of the books. In 2017, Tom Mills was the "Member's" Comisario.

Vote Results: 30 for, 2 abstain. Motion is passed

**Motion 8:** To accept the 2017 President's Report (as distributed)

Made by: Doug Reno

Seconded by: Bob Esseltine

Discussion: Special mention and thanks to Dan while he served on the Board for all the work he did to contact Members that were significantly in arrears, all Vacant Lot owners. About 50% of the Members took up the offer to bring their accounts current and to continue to pay 50% of Membership Fees and Special Assessments until their Lots are sold or require an Access Link. The remainder have been removed from the Asociación's records for the time being. If they wish to return to the Asociación at some time in the future, the Board at the time will determine the cost of the Access Licence taking into consideration the past debts against the Lot.

Barney questioned if anyone other than the President or Secretary can be representatives from a banking perspective. Ray will be attending a meeting at Actinver later today and will find out.

Vote Results: 31 for, 1 abstain. Motion is passed

## **New Business**

**Item 1:** Update on La Huerta Storage Tank

Raised for discussion by: Bob Esseltine

**Discussion:** Bob still recommends the corner of Las Flores and Camino Real as the best place to locate a new water storage facility to replace the aljibe that is located at Casa Loop. This is also the location of the Camino Real well that is not currently in use. Upon further investigation, Lorimer Wilson is assumed to be the current owner of the Vacant Lot at that location. Extensive research has shown that there is no record of any owner of this land in either the Land Registry office in Ocotlan or the municipal property tax office in Poncitlan. Due to the suspension of land titles in the area it is unlikely any annual property taxes have been paid for several years, if ever. Bob said he has exhausted all he believes he can do to get any sort of "legal" grant, donation or permit to use the property to build a storage facility at this time. Dave Thomson suggested that the Asociación needs to do something quickly to protect our access to the well site since we have invested in the extraction concession from it for so many years. There is a concern that person(s) with no interest in the Asociación could initiate an attempt to appropriate the land if there is no evidence that we are using it. Bob suggested that the Asociación consider installing a perimeter fence to enclose the well site as soon as possible. Doug Reno asked if "right of possession" would have merit in the Agrarian Court if the use of the property went uncontested for several years. The answer to that question might provide relief for many land owners in the area. Bob also suggested he could install a small storage tank at the location to serve the Neely and Thomson residences to further claim the area. John Paul Dwyer stated that both of the other

wells we operate are fully fenced in and so should this one. He also suggested that adjacent property owners consider paying fiesta fees to the Village as a way to demonstrate good faith.

This was just a discussion and no motion is required. Members present voiced their favour of moving forward with securing the site.

**Item 2:** Discussing Motions prior to Voting

Raised as a Motion by: Dan Kralik

**Motion:** Starting with the AGM in 2019, that eligible “Responsible Members” who are in attendance at the meeting be provided the option of submitting their voted Official Ballot at the start of the meeting, or prior to voting on the motion(s) on the Agenda, participate in the discussion on the motion(s), then participate in a vote called for on the motion(s) on the Agenda.

**Seconded by:** Kathryn Vine

**Discussion:** Dan indicated he would like to see a change to the new voting process to allow Members that do come to the meeting the opportunity to ask questions and better understand motions before having to vote on them. Britt Proud added that blank ballots should be made available to eligible voters at the start of the meeting.

**Vote Results:** A majority of those eligible voting members present supported this motion to be put before the entire membership. The electronic ballot containing this motion was sent out on January 30<sup>th</sup>.

Vote Results: 19 for, 1 against, 1 abstain. Motion is passed

**Item 3:** One Half Vote for Those Paying 50% Membership and Assessment Fees

Raised as a Motion by: Dan Kralik

**Motion:** Members who own Vacant Lots and only pay 50% should only get ½ vote per Lot.

**Seconded by:** Russ Loop

**Discussion:** Members voiced their concern that this was not the intent and that it would place additional burden upon the board to administer this.

**Vote Results:** Motion was defeated.

**Item 4:** Clarification of roles and costs of new Administrator and other Questions

Raised for discussion by: Dan Kralik

**Discussion:** Dan asked a number of questions including:

What is the salary for the new Accountant?

Will Dalia (Administrator) attend meetings of the Board of Directors?

Should financial status of Members be posted on the website in the interest of transparency?

Should one non-Member continue to receive water at a higher rate be allowed to continue?

Should our lawyer be consulted to see if a lawsuit could occur if we stopped doing so?

Ray Miller responded that the new Chapala accountant is being paid \$2,500 pesos/month plus IVA.

Dalia will attend Board meetings when requested. Members voiced concern that posting members current account details would be violating privacy concerns and would place another additional burden for the Board to administer. It was also noted that it could result in additional costs. If the new Board feels it should attempt to cancel a 15-year-old undocumented arrangement with one non-Member who receives water, it would need to consult with the Asociación’s lawyer to determine if there is the possibility of a lawsuit being initiated.

No motion(s) resulted from the discussions.

**Item 5:** Posting of pre-2005 documentation on the Website

Raised for discussion by: Dan Kralik.

**Discussion:** Dan during the period he served as Secretary last year went through most of the records of the Asociación over the past 20 years. Also, the Constitution is not on the website and he feels it is a very important document that should be. There was also a discussion of the lack of information sharing that the “exclusion club” are sharing about what is going on with their lawsuit. It was again reiterated that it is not a current mandate of the Asociación to be involved in that legal case nor act as the clearinghouse for information/updates to be distributed to the Membership. The incoming Board will continue the effort to get more historical information on the website.

No motion(s) resulted from these discussions.

**Item 6: Limit on Number of Motions a Member can raise at an AGM**

Raised as a Motion by: John Paul Dwyer

**Motion:** Limit the number of motions that a Member can raise during an AGM to no more than three.

**Seconded by:** Britt Proud

**Discussion:** It was generally pointed out that discussions are good because it is only once per year that the Membership gets to meet.

**Voting Results:** Motion is defeated.

**Results of the Voting for the 2018 Board of Director Positions**

**Motion 9:** President: Ray Miller – 32 for, 0 against, 0 abstain

**Motion 10:** Vice-President – no nominations received

**Motion 11:** Treasurer – no nominations received

**Motion 12:** Secretary – Cheryl Miller – 31 for, 0 against, 1 abstain

**Motion 13:** Water Commissioner – Bob Esseltine – 32 for, 0 against, 0 abstain

**Motion 14:** Director-at-Large – John Paul Dwyer – 30 for, 1 against, 1 abstain

**Motion 15:** Member’s Comisario – Tom Mills – 31 for, 0 against, 1 abstain

**Designation for Legalizing (protocolizar) of the Minutes**

Dalia Zepeda is now officially a part-time Administrator for the Asociación and has been designated as the delegate to notarize and get the minutes legalized.

**Closing Comments**

Dan offered special thanks to Barney and Dolores Leader as well as Mike Jones for their years of service. Also, Bob, Ray and Doug for all their work and all the other volunteers who devote time and effort to the benefit of the community.

**Motion to Close the Assembly at 12:05 PM**

Motion raised by: Kathryn Vine

**Seconded by:** Barney Leader

**Vote Results:** Motion is passed.