

Minutes for A.C. Board Meeting

January 8, 2026 – Loop Terraza at 10.30 am

In attendance:

President and Treasurer: G. McClintock

Water Commissioner: Bob Esseltine

Secretary: J.P. Dwyer

Director at Large: Michael Cavallero

Administradora: Martha Silva

Absent: Vice President Mike Jones

In Attendance: Linda Dwyer....presence requested to discuss her motion to change our current pricing system from a Tiered System to a Flat Rate System.

Meeting Called to Order: 10.35am

The President discussed the origin of the current tiered system and the probable reason for it. It has been customary for water providers around the globe to use the tiered system to promote conservation of water ie. the high users pay more per cubic meter. Our small Association has very few high users of water, but a change to a flat rate system would clearly benefit them. The same is true for the very low consumers of water....they currently pay a minimum consumption of 90m3 per quarter (or 990 pesos/ quarter) .

Average 7 year consumption 18,250 m3

Average Water Operations Cost 300,000 pesos

(costs include CFE , repair /maintenance/ well servicing/ fontanero)

Tariff to Recover these costs 16.4 pesos / m3

In other words for comparison purposes this 16.4 pesos / m³ would be the new Flat Rate.

Linda Dwyer and JP Dwyer presented their case for changing to a Flat Rate, with the main theme being that this system is more equitable....more fair. And with the changes that Conagua are making with respect to concessions, it appears that there is new approach to water use. This was not agreed to by one Board member who said that in spite of Conagua's enforcing concession regulations, does not mean that they are relaxing their approach to water conservation. The water situation in Mexico remains critical.

This Rate Issue certainly affects all members and renters. The President pointed out that our water provision is to 53 homes now, and many (perhaps 55 to 60%) are rented. The fabric of our small community is changing, particularly as so many owners are living north. This is the reason why any information about this discussion we are having should be distributed to both owners and renters. And we urge renters to attend our annual Assembly to be part of the discussion, and we can answer their questions before the Board makes a decision on this matter.

After further discussion it was decided that the matter will be handled first with a distribution of information to both members and renters. Then we shall conduct a New Business Meeting immediately following the Annual Assembly, and have this item on the Agenda. Then it would follow that there would be a vote of members present to instruct the Board what action is needed for their next meeting ie... to consider maintaining our current system or to change to a flat rate system. The Board clearly want input from the members and renters.

It should be pointed out that a flat rate benefits current high consumers of water, and of course the very few low consumers. However it disadvantages all of those more average consumers in our A.C. (probably 70% of our households) – those consuming between 65 m3 and 120 m3 per quarter.

Other Business:

Our Water Commissioner presented his report for 2025 with some comments on future system needs, and performance results from his regular monitoring of our two wells.

Since Bob will be our scrutineer for our AGM on January 26, he gave his report on those eligible votes of the total of 80 member votes.

In addition he discussed the change to the bylaws that will be presented for a vote for our AGM concerning certain commercial restrictions being lifted.

The President made a motion: To appoint Bob as our Technical Coordinator and Advisor to the Board

This was seconded by JP Dwyer and a unanimous vote to approve. Motion carried.

Bob has decided that he no longer wishes to serve on the Board of Directors. However he shall continue his non Board activities under his new title. The Water Commissioner position on our Board shall remain vacant.

Linda Dwyer has been nominated for Treasurer, and her name shall be presented with the email material sent out to members and renters for a membership vote.

Our Administradora shall update the financial material for year-end and work with the current Treasurer/ President to finalize the Budget for 2026. This shall be included in the package for the annual mailout to members next week. Included in the package will be as follows:

- Reports for 2025 from the President, Treasurer, and Water Commissioner**
- Schedule of Fees for 2026**
- Budget for 2026**
- AGM Agenda for January 26, 2026**
- Description of the New Business Meeting (follows the AGM meeting)**
- Information and Talking Points for the discussion on Flat Rate vs. Maintaining our current Tiered System.**

New Business – none

Next Meeting shall be the Annual Assembly on Monday , January 26