

LA MISIÓN WATER COMPANY

General Assembly Meeting

13 April 2019

Our official name as incorporated in Mexico is:

**COMITÉ DE AGUAS DE VECINOS DEL FRACCIONAMIENTO PLAYA LA MISIÓN
Y DE LA COLONIA SANTA ANITA, A.C.**

Submitted by Sandra Stadelmann, Acting Secretary for Dennis Rosenberg

The meeting was held at Poco Cielo restaurant and convened by the President, John Stadelmann, at 10:00 am. A quorum was declared consisting of 25 members present, 10 absentee ballots received and 20 proxies for a total of 55 participating members. Ken Tramp and Mark Johnson were appointed as tellers to count ballots. Lili Salcedo, our accountant, served as translator for our Spanish speaking members. Our secretary Dennis Rosenberg was traveling the day of our meeting, so Sandra Stadelmann volunteered to represent him.

VOTE to Approve Last Year's Minutes:

Copies of last year's Minutes for the 2018 meeting were distributed.

The Minutes were approved as presented by a vote of 55 in favor, no one opposed.

President's Report:

John Stadelmann made a PowerPoint presentation of highlights of last year covering events through March 2019 as well as plans going forward for this year.

- **Water-in-the-well report:** Monthly measurements indicate water is at a level 12 feet below the well head, while the pump is 96 feet below the surface. Conditions are considered favorable for no water shortages in the foreseeable future.
- **Customer count:** We currently have 169 members some of whom own multiple properties for a total of 187 metered connections. A list of eight new members was presented.
- **Pila #4 reinforced:** This pila has provided over sixty years of service and had developed chronic leaks due to settling and cracking of the tank structure. Reinforced concrete bracing was added at the top level of the walls to stabilize the cement block structure. Cracks were repaired and interior surfaces sealed with an NSF approved cementitious material to prevent future leaks. After eight months of service, no leaks occurred.
- **Well renovated:** The galvanized pipes used to pump water to the surface failed after just two-and-one-half years. This time, schedule 80 PVC pipe and all stainless fittings replaced galvanized steel. This should extend service life to five years between repairs.

- **Compliance review:** The importance of updating our Articles of Incorporation to reflect our actual practices was stressed as a legal issue. We must also check our Policies and Procedures to ensure that they are consistent with the updated Articles.

Update on desalination

- **Last year** members voted unanimously in favor of knowing more about detailed plans and costs before voting to commit funds to desalinate our well water.
- **However, three developments have occurred:**
 1. Salinity levels have dropped dramatically and are still falling. Normal for our well is roughly 3,000 ppm. Recent measurements are at 1,600. This brings into question whether we are wise to proceed with committing funds for a desalination plant, or is it advisable to see if the readings continue to decline?
 2. We have not yet received our new ten-year license which was due in December 2018. This is due to new management at CONAGUA since last year's elections and delays caused by converting to digital (paperless) record keeping. Our hydrographer engineer, Roberto Quero, spoke to members and reassured us that these delays do not mean our license to operate is threatened in any way.
 3. CONAGUA reduced our permit to pump by 33% which will make it nearly impossible to desalinate our water and stay within the volume limitations without penalty. This is due to the fact that desalination requires 50% more water to create the same amount that we normally distribute to the community.
- **The Board put forth a motion** to table the desalination program:
Your Board recommends that we table proceeding with desalination until such time that license issues are resolved and salinity levels warrant going forward.
Members voted 54 in favor, one opposed (by absentee ballot).

Financial review

- **Performance to plan 2018**
 - Income exceeded plan by \$2,000
 - Expenses were below plan by \$6,000
 - Balance sheet is up by \$8,400
 - We have no debt, accounts payable are at zero, accounts receivable near zero.
- **New budget 2019**
 - Our Operating Plan for 2019 is projected to receive \$65,500 dollars in income.
 - Expenses are planned for \$59,480
 - Retained earnings should increase the balance sheet by roughly \$6,000.
 - It is unlikely annual fees will increase next year.**Members voted in favor of the budget 55 to zero.**

Elections

- **All five Board members** are at the midpoint of their terms, so no elections were required.
- **Board member Jerry Lyndes** announced that he and his wife Lynn are returning to live in the United States and resigned effective with this annual meeting's adjournment.
- **Paul Ross was nominated** by Sandra Stadelmann to replace Jerry on the Board of Directors as "Board Member." Paul accepted the nomination.

Members voted 55 to zero in favor of Paul Ross to join the Board.

The meeting adjourned at 10:30 am

John Stadelmann, President

Sandra Stadelmann
Acting Secretary for Dennis Rosenberg

Ken Tramp, Teller

Mark Johnson, Teller