



Board Meeting Minutes - March 21, 2026

Call to Order: The meeting was called to order by Charli at 9:00.

Attending: Charli Keller, Lew Felton, Shelly Callaway in person, and George Good via Zoom.

Approval of Minutes: A motion to accept November minutes was made by Lew and a second by Shelly. Minutes approved by the board.

Due to unforeseen circumstances, our treasurer, Rebecca Wicker, has not been able to finalize financials for January and February. Laurie Weber has volunteered to help Rebecca complete the financials when she becomes available. The following is what is currently available in each account:

Financial Report (Bank balances as of February 28, 2026:

Wells Fargo Checking:	\$151,063.35
BBVA Mexico Account:	\$ 6,287.42 (U.S. equivalent)
Petty Cash (pesos & U.S.	\$ 143.00 (\$441 pesos)
Kapital Bank Peso account	\$ 29,535.04 (\$530,159.95 pesos)
TOTAL CASH ON HAND:	\$187,028.80

Due to changes in the exchange rate, the cost of using the Wells Fargo debit card became cost prohibitive and an electronic transfer of \$24,000 was made from Wells Fargo into Kapital to make payments easier in Mexico.

The board has been attempting to close the BBVA account and make the money available in an active Vecinos account but has had difficulty with BBVA. Lew will continue to work with Mike Dugan (a previous board president) and BBVA to have the account terminated and money transferred to the Kapital Bank account.

Charli started the meeting by announcing to those present that anyone wishing to be heard needs to be recognized and approach the mic, indicate their name and Vecinos address. Only paid members will be allowed to address the Board. All questions will be addressed after agenda items have been completed.

Charlie introduced all board members present.

Service Reports:

Community Center – Lew Felton

- Unisex bathroom retro fit to be handicap accessible – the plan is to have this project completed in the next few months.
- Men’s and women’s bathroom upgrade – due to numerous activities occurring at the community center, we have not wanted to disable the bathrooms. We are looking to begin demolition and upgrading of the bathrooms possibly after June when no major activities are occurring in the community center.
- As a reminder to the community – the community center is available to all paid members at no charge for casual events, and for a modest fee for special events. There is a calendar available online or you can contact Lew Felton directly for complete details.

Litter Control - Cristina and Mark Martinez

- The task force is planning to schedule a cleanup around Earth Day, April 22. They set a tentative date of April 17. An announcement will be made once the date is confirmed. Members are asked to come help the task force with this cleanup.

Membership – Cristina, Lew and Sara:

- Membership for 2025 was 566 and to date membership for 2026 is 398. Our budget is based on 600 paid members.
- Notices are being sent to members who are not currently paid, informing them of how this money is used to complete the work being done in Cholla and requesting their continued support by paying the \$150 annual membership fee.

Park and Environment – Charli:

- We are currently researching the price to reconstruct the soccer goal frames which have rusted to the point of being unsafe. The price given to rebuild the goals is \$600. Due to membership not being where it is needed and many ongoing projects, this rebuild is currently on hold.
- The swings also need to be greased which will be addressed.
- Replacement plaques are being ordered for the two that have been destroyed.
- Ramadas also require repair. Charli has requested Jose, our landscaper, to detail what is required for repairs and repairs could take place during the summer when there is lower usage and workers available to complete the job.

Rental/Realtor relations – Angelina Soto:

- Angelina Soto, who has joined as volunteer rental/Realtor representative was introduced.
- Angelina will be contacting new homeowners and informing them of how important their membership is to help maintain and improve Cholla.
- Angelina’s goal is to improve membership and Realtor relations.
- Charlie pointed out how important it is for owners renting their properties to inform their renters of the community regulations and how their use of the area affects all members of the community.

Security and Emergency Services – Kim Moore, Joe Moore and George Good:

- George indicated that Joe Moore will be purchasing batteries for the AED units. The units also require new pads. The task force is investigating pricing to present to the Board.

- Red Cross has indicated that they have new maps which Karina from Red Cross will be supplying. The task force is in the process of dividing Cholla into sections, to help emergency services locate homes. These maps will help facilitate this process.

Roads – Ken Hart, Bill Hensler, Bruce McLean, Joe Wright and Jerry Caballero:

Pinto Canyon:

- Pinto Canyon repair – In January a large storm caused the washout of the road in the area heading to Pinto Point. The previous solution has always been to back fill the area with more dirt. After discussion with a civil engineer, it was decided the best solution was to install concrete headwalls around the metal culvert and a drainage system to direct water to the sea.
- Ken supplied pictures and discussed the damage caused by the rain to the area. The arroyo is in the highly protected national zone and permits were required to start the work as well as a contract with the company completing the job.
- Work has begun at Pinto Canyon. The next area to be corrected is at Caviar and Tiburon. The completion of all areas identified by the storm will take approximately three years to complete.
- Ken thanked Corey Gathman for the use of his backhoe for the project.

Public Access Road:

- Charli read a statement explaining the current situation with road maintenance saying, SBR (Sandy Beach Resorts), owned and operated by Gustavo Brown, has maintained access from Esmeralda to Cholla for over 30 years. The Vecinos have paid \$4,060 per month, \$48,000 per year for at least 10 years, which was 70% of the budget. Last year Charli requested a copy of the contract with SBR for the work and was informed there had never been a contract. SBR indicated that the public access road was identified as beginning at the police station and ending at the Reef intersection. No information was given as to how this came to be. They used this information to draw up an actual contract with the vecinos. This contract came with a \$500.00 increase monthly. This is the first increase in a decade at a 12% increase which did not seem unreasonable. However, membership voted in November for the 2026 budget and the increase would require another general assembly meeting which comes with a \$1,000.00 price plus attorney fees and filing fees. Charli spoke with the roads task force and determined that we could maintain the interior roads ourselves to lessen the burden on SBR and continue to pay the 70% currently allocated for SBR to maintain the main road. This idea was presented to Juan Mesa, engineer at SBR who reviews all bids. He stated, “We will review it, but I don’t think we can do the work”. As of Jan. 1, there was no response from SBR so Charli indicated that the Vecinos would begin maintenance of the interior roads of Cholla. SBR then ended work on the primary road while continuing to maintain the area from the Reef to Esmeralda. At that time the task force built a tire drag to use to flatten the washboards, but had no way to water the roads, which is essential. At this time, we began contacting heavy equipment contractors, in search of a company that could maintain the primary road. Water availability became a problem because the city water source was not an option due to it being a long and expensive trip to obtain water. Charli then sent a letter to the Mayor Juan Alejandro Verdugo Ambula requesting assistance. She explained that Cholla is not like the other neighborhoods i.e., Las Conchas and Encanto. Cholla has the only family friendly beach for the Mexican families, in Penasco. We are the embarkment point for dozens of ponga

fishermen every day. There are dozens of property rentals in Cholla that pay taxes. We also have nine businesses that draw customers from town who also pay taxes. Additional traffic from J.J.'s alone can reach hundreds of vehicles per day for special events. In addition, of the 600 homes in Cholla, fewer than 60 are occupied 9 months of the year or more. The other homeowners may visit once a month to a couple visits annually. However, those 600 properties pay approximately a quarter of a million dollars every year in property taxes. With this information the Mayor agreed to help. He indicated that they have a high demand for their heavy equipment and could not provide the three mornings a week we require. The Mayor did agree to send the grader and water truck twice a month. We requested the 1st and 3rd Friday and are still waiting for that commitment. Charli was contacted by the Mayor's coordinator of the cabinet who stated that there would be a commitment on Monday, March 23rd indicating which days the city would provide assistance.

- We requested bids from four contractors, including SBR, whose bid increased from 4560 per month to around \$5800. The Board is charged with managing the budget for the Vecinos. The budget shows that more than half of our budget is allocated to the roads. This budget is based on and depends on 600 homeowners paying membership fees. Currently there are around 400 paid. Cholla members pay \$150 per year, compared with Las Conchas at \$1,500 and Laguna Shores at \$3,250. Those are our closest comparisons of tourist communities. Cholla also allows members to pay in three installments if paying at once is a hardship. Cholla has approximately 800 properties, with many being abandoned, with no way to contact an owner or their heirs, some properties are still owned by SBR. The current 400 paid members is only 2/3 of the required revenue to operate. We must make every dollar count. The attempted compromises to avoid adding an additional \$6,000.00 to the budget were unsuccessful. The Board chose to explore options before increasing the monthly expenditure. A member of the roads committee, a retired CEO of a large health services company, reviewed the budget and current income and stated that the situation is not sustainable. Homeowners must commit or forfeit the services. We all have neighbors who are not paid members, some of whom have grievances and grudges with the previous Board, which the current Board cannot resolve. These people believe there is no consequence to not paying, but lack of services will be the consequence.
- **Where we are today.** We are in the final phase of a maintenance deal with a contractor with access to water. The intent is to award him a nine-month contract to evaluate the scope of work and costs and adjust our budget for 2027 at the November annual meeting. Looking at current costs and adjusting for increased costs it is likely that the annual fee will have to be increased, especially if one third of the community is unwilling to pay to help support the community.
- An additional option is being considered. Other tourist communities like ours have their own grading equipment and have independent contractors to operate the equipment. The roads task force has been researching this option. An anonymous financier has offered to pay $\frac{3}{4}$ of the cost to assist in the purchase if Vecinos pay the other $\frac{1}{4}$. The association would be charged only 3% interest on a three-year loan. If we accept this offer, we would not have to deduct a large amount from the budget and it would allow us to become independent.
- We have spent the past six weeks working on this problem and hope to have a solution by the end of March. We ask for your patience while we continue to find a solution.
- Volunteers are being requested to help stake the primary road tomorrow morning at 7 a.m.

so that when the graders arrives the next morning, they can keep the road within the 40 feet we require. Reducing the road to 40 feet will require less time and cost for maintenance.

- The Board members put in many hours and incur expenses trying to assist the community. Their only compensation is knowing they are contributing to the greater good of the community.
- Last year a friend from JJ's cantina offered a possible solution. They hoped to raise \$50,000 through fund raisers and business contributions to improve the road. It is our hope that they can bring this option to fruition.

OLD BUSINESS

Community Center Property Transfer:

- Charli met with the attorney yesterday; most of the documents have been prepared. However, there remains one item that needs to be finalized. The attorney feels this can be completed within a month.
- Charli is asking local Realtors (Gretchen, Susie and Angelina) to assist with the transaction. The process is very complicated and requires the knowledge of a Realtor. All three Realtors volunteered to help negotiate the process.
- The attorney indicated that there is a 3% transfer tax that is charged to the buyer and we are the buyer. When we originally negotiated the purchase of the property it was \$130,000. That was the value and now it is estimated at one million dollars. This is where we require the knowledge and expertise of local Realtors.
- The original intent was to combine the community center properties into a single entity. As it stands right now, we must decide if the expenses warrant this decision or if it is best to leave them as independent trusts.

Bonding of Board Members for 2026:

- Five of seven documents received.

Community improvements to be funded by pre-paid assessments:

- We are still intent on creating handicap parking. However, at this time, due to increase cost of cement and building expenses the project will be put on hold temporarily.

NEW BUSINESS

Signage:

There have been requests for more signage and others are requesting fewer. Jerry Caballero had a sign made (displayed for members at meeting). The concern is that if everyone who wants a sign has one made and installed, we will be inundated with these signs, and no one will pay any attention to them. It is important that residents and visitors can clearly identify important road signs and are not distracted by numerous signs placed throughout the community. Charli asks whether a protocol should be created for members to bring their request for signage to the Board for permission to have a sign made and installed. It is important that all signs meet legal requirements and do not clutter the roads. Shelly made a motion to require that all signs be approved by the board before being installed. Second by Lew. All members in agreement.

Future Board Meetings:

Future board meetings will be held the 3rd Saturday of the month. We will not be having a meeting in July or August. Meetings to resume in September with the annual election on November 21.

Upcoming Events:

- Apr. 11 – CBSC Golf tournament, \$100 entry fee, contact Kathy Barnard or Mike Dugan
- Apr. 18 – Annual BBQ by OBSC at 2 p.m. in the Community Center
- Apr. 24-26 – First weekend of CBSC's 69th annual fishing derby
- May 8-10 – Second weekend of CBSC annual fishing derby
- May 16 – Steak fry by OBSC at 6 p.m. in the community center
- May 21-22 – Third weekend of CBSC annual fishing derby
- May 23 – CBSC's Fishing derby awards ceremony and fish fry at community center

Member questions:

All members were reminded that they must raise their hand, be recognized and approach the mic. They must state their name, manzana and lot.

Q: Gretchen Ellinger, M42 L2. Is the clubhouse self-sustaining? Are some activities that are free have a small charge? Has the addition of air conditioning contributed to the expenses? Is it possible to have a summary of expenses and income related to the clubhouse?

A: The clubhouse has two main tenants, CBSC and OBSC, both of which have paid \$100 a month. This equates to approximately 2/3 of the expenses. The Vecinos make up the rest of the activities such as Board meetings. The \$150 membership includes access to the club house for activities, dancing, games, etc. To date, the air conditioning has made no significant change in the cost of utilities. Lew is going to provide Gretchen with the figures and she will create an expense report.

Q: Steve and Linda Thompson, M30 L19. Did they already install stakes on the main road and are they rebar with flags? Instead of more speed signs could we have more enforcement? Can the financial statements be included with the minutes?

A: No, they are painted wood and stick up approximately 4 inches. A meeting was to be scheduled with the chief of police and then they changed Mayors so the Chief of Police was changed. We are now scheduling a new meeting. Enforcement will be a priority subject. There have also been requests for cameras near the police station, we will discuss the legality of this with the Chief when we meet. All police officers have been equipped with body cameras. The new chief is going to establish an entire group of officers who are solely traffic police.

Q: Cindy Lynn Ostergaard, M38 L6&7. Can information be relayed to members more promptly via email? An email stated that taxes go to the city but do they not actually go to the state? If we purchase road equipment, where will the equipment be stored to prevent damage or theft?

A: We send out 600 emails and 326 of them are received. Everyone needs to add vecinosdelacholla to their address book to ensure they receive these emails. Also check that you have not blocked mass emails. Taxes initially go to the city and then the city forwards the state. If we were to purchase the road equipment, there is plenty of room for storage in the community center lot. The community also has access to a vacant lot that could be used for storage.

Q: Susie and Ray Flynn, M24 L15. I suggest that Gretchen and Angelina review the documentation received from the attorney regarding the community center. I would also like to see the bids for road maintenance so I can see how many days will be maintained and the type of water being used. I also feel that the purchase of road equipment is not in the best interest of the Vecinos,

storage, repairs, gas, etc. Did you contact vendors for pricing prior to establishing the budget?

A: As of the date we established the budget the cost for road maintenance was \$4060.00. As stated previously, we discovered that there had never been a contract with SBR for road maintenance and it was not until we requested a contract, at the first of this year, that we were notified of the \$500.00 increase.

Q: Waylon Dillon, M3 L15. What value is there in having \$150,000.00 in the bank? Could the road situation be considered an emergency and pull from that fund to cover the increased expenditure on the roads?

A: For many years the board established having at least \$100,000.00 available for emergencies/disasters. The other money is for the \$90,000.00 budget expenses. It is worth investigating reducing the reserve amount. It is required by the Mexican law that there be an additional meeting to change the budget. As JJ's has the biggest impact on our roads we hope to hear more about how they can help raise funds for the road improvement.

Q: Steve Thompson M30 L19. Who is really in charge of road maintenance? What was the agreement between the Brown's and the city? Most of the traffic coming to Cholla is not from homeowners, so who is responsible for the maintenance?

A: They are city roads under the city's jurisdiction. The story is, which has not been seen in writing, that when Gustavo Sr. was given permission to plat and sell land, the city also indicated that he would be responsible for facility. The developer, SBR, decided there should be an association of homeowners who would chip in to cover costs. This may or may not be the facts as nothing has been seen in writing.

Law mentioned that Gustavo Jr. was instrumental in getting the deeds of trust so that foreigners could own property within the permitted zone. At that time the state made them commit to putting in electricity, water and sewer. Not all services were completed, only electricity. Since that time the administration has changed many times, so no one knows who is currently responsible. The only known fact is that the roads belong to the city. The original Vecinos president went to the city and said the road belongs to them and they agreed to put it on their regular schedule for twice a month. At that time, 30 years ago, it was determined that twice a month was not sufficient, so the Vecinos had to pay for more maintenance. The moral is, the city wouldn't add more maintenance 30 years ago and are holding to that schedule.

Q: Dan Ellis M51 L10: I feel the cost of maintaining heavy equipment will outweigh the cost of hiring an outside vendor, wouldn't it be more cost effective, long term, to pay the additional cost and use SBR or another contractor to complete the work?

A: Our concern is that we already have 200 homes that are not paying the \$150 annual fee, what will that number be if we increase the dues? We could do a special assessment and transfer reserve funds to cover this year's higher road costs.

Q: Mike Martinez M19 L8: We can't increase the budget until January of next year?

A: We will have to speak with the accountant to confirm we can move the money from the reserve to cover the unforeseen cost to maintain the road.

Q: Bob Cain M57 L9: What percentage of the road is driven by non-residents? Why don't we charge a fee to enter Cholla?

A: Exact figures are unknown, but most traffic comes from non-residents. A toll on the road is not

feasible now.

Q: Duane Howell M42 L11: How can we have responsibility without authority? The Board, the Brown's and the city need to come together.

A: Agree.

Q. Gretchen Ellinger M42 L2: I believe investigating the possibility of a toll road is still worth considering and would be willing to explore the idea and have a presentation for the Board. Also, a family recently rented a razor while visiting. They asked where they should ride and were told to go to Cholla, they have great dirt roads, those people should definitely be paying. I also feel the handicap parking area needs to be engineered so that it is properly installed.

A: We can look into having the handicap area engineered.

Question for Gretchen regarding the agency she mentioned controlling the federal zone. Gretchen indicated it is called SEMARNAT.

Q: Andy Masaro M68 L10: Are the speed signs we currently have put up by the city? If not, can we get them to put them up? If SBR resumes maintenance of the road, will you make sure they do the complete road all the way to the police station? How much do we pay for the water coming into Cholla? Why is there a section of Borracho flats that only pays \$20 for all the water they want? Could we set up a system in Cholla, like how we pay for trash. Pay a flat annual fee and get a sticker that allows you to get water delivered to your house?

A: We can try requesting that the city install more speed signs. Borracho is considered a Mexican community and Cholla is identified as a tourist community. We pay 32.70 pesos per cubic meter of water. There is a metering system on the standpipes, which is read monthly. Sara then takes the information and figures out the expense to each driver and sends them an email. Vecinos took control of the water situation due to the drivers not making payments on time or only making partial payments to Oomapas and the water being turned off to Cholla. We monitor the water usage and pay the bill to Oomapas. SBR then contacts Oomapas to find out how much water we were billed for and charges us 10% plus IVA to pump the water into Cholla. The approximate 11% charge is for the electricity for SBR to run the pump. This is a fee we did not incur in the past but has now been included.

Q: Jenny Vance, M 25 L9: When we sign a contract for the roads, can we get that contract for more than one year?

A: We can only do a contract for this year. But we could possibly ask for a renewal price to extend for X number of years.

Q: Susie Flynn: Can you contact Oomapas and find out where the pipes and pump are located that bring water to Cholla:

A: Can you look into it? Susie indicated she would be interested after they resolve the Community Center acquisition.

Q: Andy Massaro recommended that we take the steps needed to move money from the emergency reserve to resolve the road maintenance emergency. Shelly initially worded a motion to that effect, but before a vote was taken, an interruption occurred which side tracked the conversation and the meeting was closed without a vote being taken.

Charli thanked all volunteers and members for their time.

Adjournment:

A motion was made at 11:00 by Shelly to adjourn the meeting. It was seconded by Lew and all members approved.

Reopening of the March 21 meeting:

Realizing that a motion was never officially voted on, the Board announced and held a meeting at 2 p.m. on Tuesday, March 24 by Zoom to reopen the March 21 meeting and finalize the motion initially discussed at that time. That meeting was attended by Charli Keller, Lew Felton, Shelly Callaway, Kim Moore and George Good, plus a number of members.

Charli read the motion, which was: "The Board will take the necessary steps to transfer a sum not to exceed \$30,000 from the emergency reserve to the operating budget to adequately cover the increase in costs of road maintenance services. After reviewing options, the board will award a contract to the company that can best perform the services based on equipment, experience, and access to an adequate water supply."

The motion was seconded by George Good. Charli called for any discussion. There being none from the Board members, she called for the vote. All five members in attendance voted in favor of the motion.

George Good then made a motion to adjourn the meeting, it was seconded by Lew Felton and all were in favor.

Next Meeting: Saturday, April 18 at 9 a.m. in the Community Center.