

**ASOCIACIÓN DE REGULARIZACIÓN DE
VECINOS DE LA CHOLLA**

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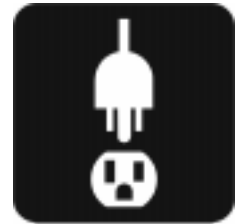
WINTER 2011

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**PETROLEUM AND POWER
IN MEXICO**

NEWSLETTER

In 1938, Mexican President Lazaro Cardenas nationalized the petroleum industry in Mexico using article 27 of the 1917 Mexican constitution. Article 27 declares that the nation (Mexico) is vested with the direct ownership of all natural resources of the national territory. The move came after labor unrest that could not be resolved with the foreign-owned companies that controlled the oil industry at the time. This obviously infuriated those foreign companies involved, but President Cardenas did not back down and promised to compensate the companies through a nationwide fund raising effort. The companies were compensated, but the American and British governments boycotted all oil produced by the newly-formed Petroleos Mexicanos (PeMex). Temporarily the boycott made quite an impact, but with the outbreak of World War II, the boycott was rescinded due to the importance of gas and oil in the war effort. During this time of national pride in Mexico, many government-owned utilities were created, such as the Comision Federal de Electricidad (CFE). In recent years, some of these entities have been privatized, such as the railroads and the phone company (Telmex), but Pemex and CFE are two of the most solid institutions in Mexico. Talk of their privatization is considered heresy by many Mexicans. For Cholla Vecinos, the Pemex pricing is easy to understand, gasoline is basically the same price throughout the country. This makes planning fuel costs easy while traveling throughout the country. However, CFE pricing is far more complex. The CFE provides three levels of pricing for electricity and these levels change biannually. The basic level is very cheap; it is roughly 4¢ per kilowatt (KW). This price is less than half of most areas in Arizona. The CFE loses money producing power at this price, but they are charged with providing basic power to the poorest Mexicans. The second level, intermediate, is still cheaper than most of Arizona at 7¢ per KW. The third level, surplus, is considered a luxury level. CFE assumes if you can afford equipment that uses this level of power, you can afford to pay over 20¢ per KW. This luxury level is twice what is charged in most areas in Arizona. In the Summer (May 1 - Oct 31), the basic level is from 0-600KW and the intermediate level kicks in from 601-1200KW. All power used above 1201KW is charged at the most expensive (excedente) level. In the Winter (Nov 1- April 30), the levels are MUCH lower. The basic level is 0-150KW, the intermediate level is 151-250KW, and the excedente level is over 251KW. Also, keep in mind the levels are calculated bimonthly. *The levels return to zero every two months.* This explains why most Mexican have gas heat. An electric heat pump is very expensive to run at 20¢ per KW. In the Summer, air conditioning can be very expensive to operate once the first 1200KW of power is consumed. Understanding the CFE price structure sure helps to explain the \$800 power bill horror stories going around the community.



PROPERTY TAXES



Property taxes are due and payable on January 1st of each year. Although you may pay your taxes quarterly, you will receive a 10% discount if you pay for the entire year by the end of February. The City Treasurer's office in Puerto Peñasco has not mailed tax notices in past years. We do not anticipate notices this year. The tax must be paid at the

City Treasurer's office on the first floor in the municipal building at the corner of Benito Juarez (Main street) and Fremont (Las Conchas turn-off). *The Treasurer's office is open on weekdays only from 8:00AM-3:00PM.* Bring your 2010 tax notice or your block (Manzana) and lot number. The City does not give the best peso/dollar exchange rate, so bring cash pesos to get the most for your tax dollar. Please remember, **PROPERTY TAXES ARE YOUR RESPONSIBILITY AS OF THE DATE OF SALE NOT THE DATE OF THE TRUST.**



Bancomer, the bank holding the master trust for Cholla Bay charges an annual trust maintenance fee due on the 1st of January each year. Jose A. Venegas Bejarano personally staffs the trust office in the local Peñasco Bancomer office during normal weekday banking hours. His office is located in the new Bancomer facility on Fremont, left hand side as you head towards Las Conchas. Be sure to have your trust number (FXXXXX-X) on the check and request a signed receipt. We have not been notified of any increase in the maintenance fees for 2011.

Other Vecinos have reported success using local bill paying services, such as Josefina Crespo and Patricia Perez to pay their trust fees and receive signed receipts.

BULK TRASH PICK UP

Our popular bulk trash pick up continues on a quarterly basis: January, March, July and October. Placement of the items can begin on the first day of the month and pick up will begin on the seventh day of the month. Questions on any of our garbage services should be directed to Jerry Ketelhut, Jr. at 382-5067 or email jketelhut@cox.net.

CHOLLA COMMUNITY CENTER



The Cholla Community Center is YOUR asset. The facility is available to be rented at nominal cost for your private functions. Details, information and reservations are available

through Vecinos Vice President, Pat Sledge. Our library has been beautifully organized and maintained by Bob and Barbara Dammann. Keys are available from the Dammanns (382-5067) directly and from Xochitl's Cholla Cafe. Book checkouts are self-serve and on the honor system. We only ask that you record your visit on the clip board. There are banners in the parking lot near the main street (Tiboron) advertising all public functions upcoming at the Community Center. The OBSC (Old Boys' Social Club) and CBSC (Cholla Bay Sportsman Club) welcome non-member Vecinos as guests at all of their activities and parties. Please feel free to check them out! Both groups are fun clubs with monthly activities throughout the season (October - June). In response to a suggestion by a Vecinos member, the Vecinos Board has made WIFI available to Cholla HOA members at the Community Club House. The signal is named *ChollaBayHOA* and is strong enough to reach the north patio, Clubhouse and library. There is no access password. We believe there is enough bandwidth and speed to accommodate multiple users.

LIVING IN MEXICO

As a homeowner and part-time resident in Cholla Bay, I am constantly asked by neighbors and colleagues about violence in Mexico. I reply that I feel safer in Cholla Bay than I do in many areas of Metro Phoenix. I haven't heard of any home invasions, road rage incidents, shootings, etc, etc in Cholla Bay. It is not Disneyland, we all need to protect our homes when we are away from property crime, but for me, Cholla is a great place to live. The following article was written by Linda Ellerbee and was forwarded to Benjamin Brown through a mutual friend. It has such a great perspective on living in Mexico, I felt a need to share it with all of Cholla's Vecinos.



Sometimes I've been called a maverick because I don't always agree with my colleagues, but then, only dead fish swim with the stream all the time. The stream here is Mexico. You would have to be living on another planet to avoid hearing how dangerous Mexico has become, and, yes, its true drug wars have escalated violence in Mexico, causing collateral damage, a phrase I hate. Collateral damage is a cheap way of saying that innocent people, some of them tourists, have been robbed, hurt or killed. But that's not the whole story. Neither is this. This is my story.

I'm a journalist who lives in New York City, but has spent considerable time in Mexico, specifically Puerto Vallarta, for the last four years. I'm in Vallarta now. And despite what I'm getting from the U.S. media, the 24-hour news networks in particular, I feel as safe here as I do at home in New York, possibly safer. I walk the streets of my Vallarta neighborhood alone day or night. And I don't live in a gated community, or any other All-Gringo neighborhood. I live in Mexico. Among Mexicans. I go where I want –which does not happen to include bars where prostitution and drugs are the basic products–, and take no more precautions than I would at home in New York; which is to say I don't wave money around, I don't act the Ugly American, I do keep my eyes open, I'm aware of my surroundings, and I try not to behave like a fool.

I've not always been successful at that last one. One evening a friend left the house I was renting in Vallarta at that time, and, unbeknownst to me, did not slam the automatically-locking door on her way out. Sure enough, less than an hour later a stranger did come into my house. A burglar? Robber? Kidnapper? Killer? Drug lord? No, it was a local police officer, the beat cop for our neighborhood! who, on seeing my unlatched door, entered to make sure everything (including me) was okay. He insisted on walking with me around the house, opening closets, looking behind doors and, yes, even under beds, to be certain no one else had wandered in, and that nothing was missing. He was polite, smart and kind, but before he left, he lectured me on having not checked to see that my friend had locked the door behind her. In other words, he told me to use my common sense.

Do bad things happen here? Of course they do. Bad things happen everywhere, but the murder rate here is much lower than, say, New Orleans, and if there are bars on many of the ground floor windows of houses here, well, the same is true where I live, in Greenwich Village, which is considered a swell neighborhood — house prices start at about \$4 million –including the bars on the ground floor windows.

There are good reasons thousands of people from the United States are moving to Mexico every month, and it's not just the lower cost of living, a hefty tax break and less snow to shovel... Mexico is a beautiful country, a special place. The climate varies, but is plentifully mild, the culture is ancient and revered, the young are loved unconditionally, the old are respected, and I have yet to hear anyone mention Britney Spears, Lindsay Lohan, or Madonna's attempt to adopt a second African child, even though, with such a late start, she cannot possibly begin to keep up with Angelina Jolie. And then there are the people.

Generalization is risky, but—in general — Mexicans are warm, friendly, generous and welcoming. If you smile at them, they smile back. If you greet a passing stranger on the street, they greet you back. If you try to speak even a little Spanish, they tend to treat you as though you were fluent. Or at least not an idiot. I have had taxi drivers track me down after leaving my wallet or cell phone in their cab. I have had someone run out of a store to catch me because I have overpaid by twenty cents. I have been introduced to and come to love a people who celebrate a day dedicated to the dead as a recognition of the cycles of birth and death and birth — and the 15th birthday of a girl, an important rite in becoming a woman — with the same joy.

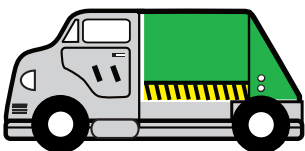
Too much of the noise you're hearing about how dangerous it is to come to Mexico is just that — noise. But the media love noise, and too many journalists currently making it don't live here. Some have never even been here. They just like to be photographed at night, standing near a spotlighted border crossing, pointing across the line to some imaginary country from hell. It looks good on TV. Another thing. The U.S. media tend to lump all of Mexico into one big bad bowl. Talking about drug violence in Mexico without naming a state or city where this is taking place is rather like looking at the horror of Katrina and saying: Damn! Did you know the U.S. is under water? or reporting on the shootings at Columbine or the bombing of the Federal building in Oklahoma City by saying that kids all over the U.S. are shooting their classmates and all the grownups are blowing up buildings. The recent rise in violence in Mexico has mostly occurred in a few states, and especially along the border. It is real, but it does not describe an entire country. It would be nice if we could put what's going on in Mexico in perspective, geographically and emotionally. It would be nice if we could remember that, as has been noted more than once, these drug wars wouldn't be going on if people in the United States didn't want the drugs, or if other people in the United States weren't selling Mexican drug lords the guns. Most of all, it would be nice if more people in the United States actually came to this part of America – Mexico is also North America– (you will recall) to see for themselves what a fine place Mexico really is, and how good a vacation –or a life– here can be. So come on down and get to know your southern neighbors. I think you'll like it here. Especially the people.

SECURITY & GARBAGE SURVEY

One of the biggest of all Vecinos' concerns is security. We currently have a good working relationship with the Puerto Penasco police officers stationed in our community. They respond to our suggestions and are eager to provide the best service possible. However, we all need to realize they answer to the chief of police (Comandante) in Penasco, not to the HOA. The Comandante answers to the Municipal President (Mayor), but listens to our suggestions and does what he can for Cholla Bay. Obviously, in the scheme of things in Penasco, Cholla is not a top priority. All Vecinos need to address security at the personal level. These actions include monitored alarm systems, security lights, dead bolts, window locks, etc. Many Vecinos have created their own block watch by getting to know their neighbors living in Cholla full-time. The HOA has allocated a substantial amount of money to purchase a state-of-the-art security camera system to monitor all entrances into our community. The system will be monitored at the police station and remotely when officers are not manning the station. This system should supplement the measures taken by Vecinos at their homes. If you have a break-in at your home, please report the incident to the HOA as well as the Cholla police (382-5151).

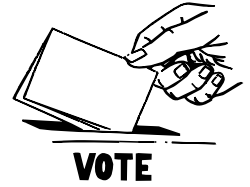


The largest part of the HOA budget is GARBAGE, or at least the disposal of garbage. Recently Board President, Mike Dugan addressed the cost of dumping at the city landfill. Through his efforts, the city responded by reducing the price we pay per kilo for garbage dumped. Mike pointed out much of the garbage we pay to dump is generated by non-residents who use the beaches. The city responded by sending a ZOFEMAT garbage truck to clean the beaches every Monday. All of these steps are in the right direction; however the Board wants **YOUR INPUT** as we plan future improvements/changes in Cholla services. Please take a minute to complete the enclosed survey and mail it in the envelope provided by January 30.



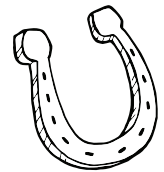
FUTURE ELECTIONS

The Association, as required by the Vecinos Constitution, must hold a general assembly meeting each year during the final quarter of the fiscal year (July 1 - June 30). Traditionally, we have held this meeting on the fourth Saturday in April; however, this year the fourth Saturday falls on Easter weekend. **The date of the annual meeting will be Saturday, April 16, 2011.** One of the main purposes of the general assembly is to elect Officers and Board members. Each year a notice of the general assembly is sent out in March as part of a Vecinos Newsletter. In the March newsletter, candidates are permitted to publish up to a 300 word unedited statement. If you are considering a run for a Vecinos position, this 300 word statement must be received by any Vecinos officer or Board member by March 5, 2011. Candidates may also be nominated from the floor at the general assembly meeting, providing the candidate is present to accept the nomination. *All candidates MUST be current with HOA dues, property taxes and bank trust fees.* At the April 2011 general meeting, three Board members and the Treasurer will be elected. All three of the open Board positions and Treasurer will be three year terms. Shirley McDonald, the Vecinos Secretary, will head the elections committee. Shirley will compile resumes and/or newsletter statements submitted for the election. Your Cholla Bay HOA encourages any and all Vecinos to get involved in your HOA by serving on the Board or as an officer.



FIRECRACKER PARK

Firecracker Park was named after a colorful Cholla Bay character back in the 80's who was known by the handle of *Firecracker*. It is not a safe-haven for fireworks, but a center of great outdoor activities for Americans and Mexicans alike. The Vecinos Board is very pleased with the large numbers of park patrons playing on the playground equipment, basketball court and soccer field. Board member, Gene Court, has done an outstanding job developing our park and he quickly responds to suggestions. Recently, a group of Vecinos asked for a regulation horseshoe pit. Gene did his research, hired a contractor and we have a new attraction for all to enjoy. Thank you Gene!



WATER



Working with Cholla's developer, SBR, the water delivery system to Cholla has been improved. The water main valves to each of the Sandy Beach developments have been replaced with valves that equalize the pressure delivered to each user. Before this improvement, Cholla, being at the end of the line, often had a trickle of water being delivered to the water trucks. With the new valves, each user has the same water pressure. This improvement has significantly decreased the time required to fill the water trucks, but has put a damper on the drivers' card games played while waiting for the trickle to fill their trucks! In a cooperative governmental effort, a water distribution system has been installed in the Mexican area of Borracho Flats. The Mexican federal government contributed 70% of the cost. The local municipal government paid 15% and the individual homeowners paid the remaining 15%. This 15% cost amounted to approximately \$140 per home. With the water system installed, running water is delivered to each home for about \$10 per month.

SOUND SYSTEM



Thanks to the hard work of Vecino, Doug Gallagher, and funding from your Vecinos HOA, the entire sound system at the Community Center has been upgraded. The old system had been plagued with annoying feedback and poor sound quality for years despite the best efforts in the past to improve the quality. The new system powers both HD televisions, a DVD player, a 5-disk CD player and a public address system capable of broadcasting both inside and outside. The Center has been hard-wired for a alarm system to be activated in the near future. The Vecinos Board feels protecting your personal investment in the Community Center is a top priority.

2011 BOARD MEETING SCHEDULE

Sunday, Jan 16
Sunday, Feb 20

Sunday, March 20
Sunday, April 17

All meetings are held at 9:00AM in the Community Clubhouse.
All Vecinos are welcome to attend! Your input is encouraged!

NO FIREWORKS



IN CHOLLA BAY

***i*YOUR! REPRESENTATIVES**

President - Mike Dugan

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Vice President - Pat Sledge - Clubhouse

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Treasurer - Helen Dahlstrom - Membership

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Lew Felton - Newsletter

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*If you have any questions about Cholla Bay,
your representatives are committed
to helping you find the answers. Feel free to
contact any officer and Board member*

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Steve Willis

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CROSSING THE BORDER WITH PETS

Recently, the American border agents have been strictly enforcing the requirement to have your pets' rabies vaccination certificate from your veterinarian in your possession as you return to the United States from Mexico. It has been reported the stepped-up enforcement is due to a change in the management at the Lukeville station.