

AGM QUESTIONS 2021

21 November 2021

General Questions

1. Why has the Junta Board not followed the Statutes as instructed by the Court in June 2021? Why are you now instead trying to change the Statutes to favour the Developers?
2. Why has the Treasurer and the rest of the Junta Board been so unwilling to answer any questions from the Homeowners for the past two years? Why have you not answered the questions on the FY18 accounts when we translated them into Spanish as you requested?
3. How much Homeowner money has the Junta spent on legal activity against the Court action? Why have the two main Developers (the President & the Treasurer) not paid anything towards these legal costs?

Water Services

4. The Junta is a legal body set up to oversee the development of an urbanisation. It is not a utility service company so it is illegal for the Junta to sell services in exchange for money as noted in previous AGM minutes. Why are you proposing something that is illegal - selling water services?
5. You state that "Water charges is in line with those major water supply companies like Galasa." Galasa has a widespread network connecting towns and cities, it has dams, customer services departments, fleets of vehicles and pumping stations. We have a well and two springs and a couple of km of water piping. Why do you think that you can possibly charge as much as Galasa for this, even if it were to be legal?
6. Why do you think that Developers should be allowed to continue building houses in Cabrera when they are not paying their fair share for the water supply and maintenance? Why do you think that the Developers should have the benefit of being able to use the water supply for construction purposes and connection of new homes without paying in accordance with the Statutes?
7. If Galasa will not take over the Cabrera water and sewage network from the Developers and the Town Hall will not take over the water and sewage network, why do you believe that the Homeowners should take over the water and sewage network from the Developers?
8. If someone were to take over the water and sewage network, what would their obligations be regarding those Owners that are not connected to mains sewage and have septic tanks instead. We know of at least 6 homes with septic tanks.
9. If someone were to take over the water and sewage network, what would their obligations be to those homeowners that the Junta has disconnected from the water supply for several years for not paying their fees. As these people are probably due a refund for over payment of fees because of the Court Order, when will their water supply be reconnected? Given that the Court Order has probably made the President and Treasurer the biggest non-payers of fees in Cabrera history, will their water connections have to be cut-off?

10. A concern has been raised by some residents who are very worried that some areas in Cabrera are not in fact connected to mains sewage at all. They fear that the sewage may be going into the countryside and the lay of the land suggests that there is no natural gradient to any of the sewage treatment plants. Please could you clarify the situation and, to give us confidence, distribute the engineering drawings of the water and mains sewage arrangements to all Cabrera residents within 7 days of this AGM meeting. What are the implications for anyone taking over the water and sewage network from the Developers if they do not know the level of completion and structure of the network?

Swimming Pools?

11. We note that you have included for water supply / sanitation/Purification/ Canon of homes???, **inc. 2 large swimming pools**. Are these the two swimming pools that the Treasurer has an interest in and sells shares in? Is this the very large pool and the Oasis pool? How has this come about?

12. Given that it seems that the Junta wish for water supply , sanitation and purification of these two pools to become a cost to the Homeowners, could we ask whether the assets \ pools themselves will become Junta assets? Will we also be responsible for maintenance and repair of these pools? Please could you clarify the position and make a formal written statement to all Cabrera residents to address these issues within 7 days of this AGM meeting.

13. When the water bills were invoiced separately, there was a concern from a resident that there were no evident water invoices for Los Pastores or the large pool although there was a small bill for the Oasis pool. Could you confirm that invoices are being raised for the water consumption of these two pools and Los Pastores and circulate all the historical evidence to all Cabrera residents within 7 days of this AGM meeting?

Electricity

14. There are at least 12 Homeowners without Endesa electricity in Cabrera. It is believed that they have not paid for any electricity usage since May 2019. Where are they obtaining their electricity from and who is paying for it?

15. Is there a separate Endesa metered supply that Developers use to provide electricity to homes on 'builders electricity'? Or is 'builders electricity' obtained from the Communal electricity supply?

16. If the said 12 Homeowners are being supplied from the Communal Cabrera supply what mechanism is in place to direct the revenue from the sale of electricity (including the 20% mark up on the typical Endesa rates) into the Junta bank account?

17. "On 19 November 2019, the Treasurer wrote: ""Due to the continual Endesa upgrading of the requirements for the increase of power of the 35 year infrastructure installation, two additional transformers must be installed, one at, Avenida Abenjoar and the other on Avenida de Cortijo Grande at an estimated cost of 198.000€. To finance this upgrading, it is proposed to increase the budget by 7% (it's the first increase for the past 8 years) and taking a 5 years bank loan of 110.000€ as well as a voluntary contribution/loan from some owners amounting to approximately 80.000€. ""

So, we have been paying 7% extra for two years without any known expenditure on transformers. This should give us a reserve fund for ""transformer funding"" of about €28,000. Is this the case and will this reserve fund be clearly shown as a separate item in the FY21 accounts?"

18. Has the Junta Board made any arrangements to enter into loan agreements on behalf of the Homeowners with any bank or any individual Homeowner money lender as previously proposed? This could apply to new transformers or anything else we should be aware of. If so, please could you circulate full details to all homeowners within 7 days of this AGM meeting so we all can know what debt you have been arranging for us?

19. Will the Developers now be paying for these transformers in accordance with the Statutes? These costs need to be migrated to a **Developer budget** and the Homeowners need to be given a € 28,000 refund as this is an infrastructure cost which the Developers should bear. Any bank or other loans also need to be migrated to the Developers.

Wage Increases

20. Our workmen have wages that are already probably the envy of every worker in the Turre Town Hall. What was the reasoning for awarding them a 10% salary increase to €27,500 per year? Is it simply because the Developers are trying to position the Homeowners to pay the vast majority of the wage bill?

"Labour conditions in Spain

The pandemic caused the largest year-on-year drop in the average salary in Spain for at least 50 years. According to human resources group Adecco, the current average salary for Spanish workers as of half year through 2021 is 1,641 euros per month.

Since 2017 the average salary had been steadily increasing, but this came to an end with coronavirus. Currently, the highest monthly salary can be found in the Community of Madrid (1,964 euros per month), followed by the Basque Country (1,954 euros per month) and Navarra (1,837 euros per month)."

Administration Costs

20. What is the reason for the increase in Administration costs from €12k per year to €15.6k per year when we are looking to make significant reductions in this area because it is a self-awarded payment by the Treasurer to the Treasurer himself.

Is it because the Homeowners will then effectively pay for the General Infrastructure portion payable by the Developers in Column 6 of the budget? Does the Treasurer think that this is being really clever or is it simply that he has no respect for the Homeowners or is it both?

Forecast for Technicians & Advisors

21. An amount of €12000 has been provisioned for infrastructure development analysis. This is solely a Developer cost and needs to be included in a **separate Developer budget**. It needs to be removed from the Services and Maintenance budget. When will we be provided with the separate Development Budget? Please could it be provided by the Developers to all Junta members within 7 days of this AGM.

Provision of € 250,000 for the installation of the two new transformers.

22. This is not a Services and Maintenance item. This is solely a Developer cost and needs to be included in a separate **Developer budget**. It needs to be removed from the Services and Maintenance budget. When will we be provided with the separate Development Budget? Please could it be provided by the Developers to all Junta members within 7 days of this AGM.

23. We note that the cost of the transformer installation seems to have increased from €198k to €250k. Please could you advise why there has been this increase and provide all the Junta members with a detailed scope of work and breakdown of the costs within 7 days of this AGM.

How can you possibly ask the Homeowners to approve a €250,000.00 infrastructure expenditure on the basis of an 8 word description?

In any event, **this item is an infrastructure expense and belongs in the Developer Budget**, not the Services and Maintenance budget.

24. Please could you advise which companies will be the beneficiaries of the proposed €250k spend on "installation of 2 transformers" and the amounts that will be routed to each company? You should know by now as you have been planning this for several years and commencement of the works has been delayed.

25. Will there be any additional costs associated with the full implementation of the two new transformers. Is this the all-inclusive, final commissioned cost or is this just "Phase 1" of many phases to come? Is the actual cost of the transformers themselves included or is this just the installation works?

26. The Treasurer has stated several times that he has provided a transformer in the La Pilica area but we can find no evidence of this transformer. We have questioned him several times about this but he has remained silent. Could the Treasurer advise us where exactly this transformer is located and what size it is?

27. We believe that there is only 1 transformer in Cabrera and this is located at the Arch. This was the original Cabrera transformer, we believe. Could the Treasurer confirm this and agree that the current Developers in Cabrera have not supplied a single transformer themselves in the last 30 years since 1991, even though provision is made for 6 transformers in the Urbanisation Plan?

28. The Endesa quotation of €24,887.40 for the Arch transformer “upgrade” work clearly sets out the fact that the work included the connection of new installations with the existing network for €7,426.91. This indicates that the need for any work at all was driven by the requirement for a group of Town Houses to be connected by the Developers, and no other reason. Why was this cost passed on to the Homeowners instead of being paid for by the Developer of the Town Houses? Why did the Developers pay nothing towards this at all?

This all belongs in the **Developer budget**, not the services and maintenance budget.

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|--|--------------------|
| - Presupuesto de nueva extensión de red: | 7.426,91 € |
| - Trabajos adecuación de instalaciones existentes: | 13.141,19 € |
| - Suma parcial: | 20.568,10 € |
| - I.V.A. en vigor (21 % ¹): | 4.319,30 € |
| - Total importe abonar SOLICITANTE²: | 24.887,40 € |

Unusual Invoices:

29. Why have "invoices" been raised without any specific details of the transaction that has taken place? We would note that an “invoice”, by definition, contains a detailed list of goods shipped or services rendered, with an account of all costs charged. The “invoices” from Ramos Garcia specified only that payment was due and contained no further detail. The description given is therefore only a payment reminder or notice to customer of monies due, for labour, materials and work done on behalf of the Junta at costs and locations that are not disclosed.

| Date | Company | Amount (incl IVA) | Description on Invoice |
|-----------|---------------|-------------------|---|
| 18-Jan-19 | Ramos Garcia | 31000 | No details of works performed, or material and labour charges. The description on the invoice shows only “Payment due from the <i>Junta de Compensacion</i> ” |
| 29-Mar-19 | Ramos Garcia | 30000 | No details of works performed, or material and labour charges. The description on the invoice shows only “Payment due from the <i>Junta de Compensacion</i> ” |
| 07-May-19 | Ramos Garcia | 21575.13 | “MV pipeline and caskets” |
| | TOTAL: | 82575.13 | |

30. Could the Junta advise why “**MV pipeline and caskets**” were purchased in May 2019 using the Services & Maintenance budget and where and for what purpose these materials were used? Please could the Junta explain against which expenditure headings / codes this expenditure has been posted and why it is not identified as expenditure relating to the electrical infrastructure? Why has this cost been charged to the Homeowners and why have the Developers themselves not paid for these items?

This should belong in the **Developer budget \ accounts**.

AVAL – Bank Guarantee

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|-----|------------|------------------------|-------|--------|-------|
| 31. | 6630000004 | Interest on guarantees | 1.600 | 0/100% | 1.600 |
|-----|------------|------------------------|-------|--------|-------|

You will all know that this is not an interest charge at all. It is **the annual AVAL charge** which the Developers are supposed to pay for the Bank Guarantee to the Town Hall that they will complete the Development. The Developers have passed the cost of this solely to the homeowners for many years by plundering the Services and Maintenance budget. It was the Promoter-Developers that were obliged to take out the Bank Guarantee at the time of obtaining their building permission. Why do you think that the home buyers need to pay anything at all towards this annual cost? This cost needs to go into the **Developer Budget and is a cost for the Developers to bear.**

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