

**DIABLO COMMUNITY SERVICE DISTRICT
PO BOX 321
DIABLO CA 94528
BOARD OF DIRECTORS
MINUTES
SPECIAL MEETING
Diablo Country Club
March 14, 2017 6:45 p.m.**

CALL TO ORDER: President Ray Brant called the meeting to order at 6:45 p.m.

ROLL CALL: Secretary Richard Breitwieser called the roll as follows:

Directors present: Brant, Torru, Hoffman Mini,
Directors Absent: Urbelis

ACTION ITEM:

On a motion by Director Torru and second by Director Mini the Board authorized the DCSD to spend up to \$15,000 on legal fees to determine:

1. Who is liable for the costs of the present emergency repair and the cost of a permanent repair of the entire culvert system.
2. What are the rights and obligations of DCSD, the Diablo Country Club, The Slavonia's, and the Nicholson's with regard to maintenance of the this culvert system.
3. Do property owners at the point of the beginning of the culvert (intake) and the end of the culvert (discharge) have any rights and/or liabilities regarding the this damage and the maintenance of the culvert.
4. What easements, including implied easements, if any, exist over the existing culvert system.

Ayes: Brant, Torru, Hoffman Mini,
Noes: None
Abstentions: None
Absent: Urbelis

There being no further business, the president adjourned the meeting at 7:07 p.m.

Richard J. Breitwieser, Secretary

**DIABLO COMMUNITY SERVICE DISTRICT
BOARD OF DIRECTORS MEETING
MINUTES
DIABLO ROOM, DIABLO COUNTRY CLUB
March 14, 2017 7:30 p.m. (Immediately following DMAC meeting)**

CALL TO ORDER: President Ray Brant called the meeting to order at 7:35 p.m.

ROLL CALL: Secretary Richard Breitwieser called the roll as follows:

Directors present: Brant, Torru, Hoffman, Mini

Directors absent: Urbelis

COMMENTS FROM THE AUDIENCE:

Bob Tiernan spoke to the traffic diverted onto Calle Arroyo as a result of a downed tree on Diablo Rd in February and explained how it caused significant inconvenience to the residents of Calle Arroyo. Bob stated that Calle Arroyo is a private road and that the homeowners on Calle Arroyo plan to take legal action.

ACTION ITEM:

On motion by Director Torru, second by Director Mini, the minutes of the February Regular Meeting were unanimously approved:

Ayes: Brant, Torru, Hoffman, Mini,
Noes: None
Abstentions: None
Absent: Urbelis

On motion by Director Torru, second by Director Mini, the minutes of the February 8th and 25th Special Meetings were unanimously approved.

Ayes: Brant, Torru, Hoffman, Mini,
Noes: None
Abstentions: None
Absent: Urbelis

ACTION ITEM:

On motion by Director Hoffman, second by Director Brant, Director Torru was appointed Secretary of the DCSD

Ayes: Brant, Torru, Hoffman, Mini,
Noes: None
Abstentions: None
Absent: Urbelis

ACTION ITEM:

On motion by Director Torru, second by Director Hoffman, the DCSD accepted the proposal of SCI Consulting Group Dated march 9, 2017 for Special Tax Election, Outreach and Other Professional Consulting Services with the addendum that “1. The successful completion of the special tax election will put the DCSD in compliance with Proposition 218 and 2. The special tax will not require the creation of a Community Facilities District.”

Ayes: Brant, Torru, Hoffman, Mini,
Noes: None
Abstentions: None
Absent: Urbelis

REPORTS:

DIABLO COUNTRY CLUB:

No Report
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CONTRA COSTA COUNTY: Alicia Nuchols reported:

Supervisor Diane Burgis will visit Diablo April 12th for a community meet and greet. Details to be determined.

DIABLO PROPERTY OWNERS REPORT: Don Nejedly reported:

The DPOA had a successful St Patrick’s Day celebration at the Club this past Sunday with 30-40 adults and 30-40 children in attendance to enjoy face painting, green beer and corn beef and cabbage.

SECURITY: Deputy Sheriff Dan Buergi:

Presented the Security Report for month of February. There was one security issue this month, the vandalism of a front porch light.

The failed culvert and closure of the road at the corner of Calle Arroyo and Club House Rd was the big safety issue in February.

ROADS: Directors Hoffman and Mini Reported:

The repair of the culvert and the road at the corner of Calle Arroyo and Club House Rd is progressing. The fix is expected to be complete by March 20th.

FINANCIAL: Director Torru:

Presented the Financial Report for February. The District's income and expenses are in line with the Budget and at the end of January the District had a cash balance of approximately \$300k.

The DCSD has filed a \$300,000 claim with FEMA requesting reimbursement for the repair of the failed culvert and road. FEMA representatives toured the site late last week.

ACTION ITEM:

On Motion by Director Torru and second by Director Mini the DCSD increased the authorized expenditure for the repair of the culvert and road from \$100,000 to \$300,000

The \$300,000 authorized expenditure is an advance to cover the contractors' costs while financial liability for the culvert and road repair is determined.

Bob Tiernan expressed concern that payment/funding of the repair of the culvert and road by the DCSD could impact the private vs public nature of the road.

Maryann Cella spoke to the new developer of Magee Ranch, the Diablo Rd Circulation Improvements and requested that the Board use its authority and persuasion to ensure that the Town of Danville bicycle counts include all Diablo and Danville intersections and that the counts are accurate and fare. Maryann also asked the Board to use its authority to ensure that any Diablo Rd bicycle mitigation plan put forth by the Town is detailed and its existence is a condition of the development project approval.

CALL OF NEXT MEETING/ADJOURNMENT. The President called the next meeting for April 11, 2017. There being no further business, the President adjourned the meeting at 8:08.

Richard J. Breitwieser, Secretary

Diablo Community Service District
Profit and Loss Statement
8 months ended February 28, 2017

	July	August	September	October	November	December	January	February	YTD	Prior YTD	Budget
<i>Income</i>											
Ad Valorem Taxes	\$0	\$0	\$0	\$0	\$10,875	\$221,816	\$0		\$232,691	\$217,240	\$221,432
Road & Security Fees					1,015	131,768			132,783	127,687	131,518
Traffic Fines	63	276	406	819		826	520	298	3,208	3,051	2,336
Other Income						9,579		(9,579)	0	0	0
Interest Income	7	7	7	7	4	4	8	6	50	54	56
Total Income	70	283	413	826	11,894	363,993	528	(9,275)	368,732	348,032	355,342
<i>Expenses</i>											
Sheriff Security	28,917	32,821	35,845	31,208	27,805	29,013	27,096	31,208	243,914	234,181	249,664
Auto Repairs									0	3,218	250
Cell Phone			219						219	200	300
Other					350				350	0	2,000
Road Maintenance				393,658		5,460	350		399,468	261,840	391,000
Bridge Maintenance									0	13,790	0
Bridge/Culvert Engineering									0	3,275	0
Storm Drain Maintenance							1,291	2,079	3,370	2,320	5,000
Tree, Bush and Weed Trimming									0	0	2,500
Gardener	120	120	120	120	120	120	120	120	960	960	960
Trail and Creek Maintenance									0	9,884	2,500
Entrance & Island Maint									0		
General Manager	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	14,000	14,000	14,000
Legal Retainer	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	14,800	14,800	14,800
Records Storage									0	1,188	1,200
Audit						9,000			9,000	5,000	9,000
Legal Notices and Fees									0	60	0
Assessors Roll/County Fees			28						28	33	55
Other Professional Fees	43	281	98	43	2,435	43	98	153	3,195	3,385	4,300
Insur Director and Officers						9,084			9,084	9,084	9,100
Insur Commercial and Auto				3,552					3,552	3,552	3,600
Insur Excess General Liability				3,970					3,970	4,175	4,200
DMAC Operating Expenses									0	0	92
Administrative	90	90	21	21	21	25	23	26	317	144	264
Depreciation Expense	173	173	173	173	887	887	887	887	4,241	1,261	8,104
Miscellaneous	274	301			298		2,633		3,506	2,539	2,850
Total Expenses	33,217	37,386	40,105	436,346	35,516	57,232	36,098	38,073	713,973	588,889	725,739
Net Income	(33,147)	(37,103)	(39,692)	(435,520)	(23,622)	306,761	(35,570)	(47,348)	(345,241)	(240,857)	(370,397)

Diablo Community Service District
Balance Sheet
February 28, 2017

	July	August	September	October	November	December	January	February
ASSETS								
Current Assets								
Wells Fargo Checking Acct	\$365,276	\$296,663	\$293,146	\$239,366	\$23,920	\$105,493	\$35,985	\$103,957
Wells Fargo Money Market	268,670	268,677	268,683	268,690	68,695	318,699	318,707	218,713
Accounts Receivable						9,579	9,579	0
Prepaid Expenses	692	649	605	563	519	476	432	389
Total Current Assets	634,638	565,989	562,434	508,619	93,134	434,247	364,703	323,059
Property and Equipment								
Computer Equip	5,917	5,917	5,917	5,917	5,917	5,917	5,917	5,917
Automobile	102,563	102,563	102,563	102,563	106,427	42,817	42,817	42,817
Other Fixed Assets	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Accumulated Depreciation	(68,891)	(69,064)	(69,238)	(69,411)	(70,298)	(7,574)	(8,461)	(9,348)
Total Property and Equipment	42,089	41,916	41,742	41,569	44,546	43,660	42,773	41,886
Other Assets								
Automobile Sinking Fund	23,833	23,833	23,833	23,833	23,833	23,833	23,833	23,833
Bridge Sinking Fund	185,000	190,000	195,000	200,000	205,000	210,000	215,000	220,000
Total Other Assets	208,833	213,833	218,833	223,833	228,833	233,833	238,833	243,833
Total Assets	885,560	821,738	823,009	774,021	366,513	711,740	646,309	608,778
LIABILITIES AND CAPITAL								
Current Liabilities								
Accounts Payable	62,927	31,208	67,173	448,704	59,818	93,283	58,424	63,241
Total Current Liabilities	62,927	31,208	67,173	448,704	59,818	93,283	58,424	63,241
Long-Term Liabilities								
Other Liabilities	208,833	213,833	218,833	223,833	228,833	233,833	238,833	243,833
Total Long-Term Liabilities	208,833	213,833	218,833	223,833	228,833	233,833	238,833	243,833
Total Liabilities	271,760	245,041	286,006	672,537	288,651	327,116	297,257	307,074
Capital								
Opening Balance Equity	1,239,979	1,239,979	1,239,979	1,239,979	1,239,979	1,239,979	1,239,979	1,239,979
Retained Earnings	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)
Net Income	(33,147)	(70,253)	(109,945)	(545,464)	(569,085)	(262,325)	(297,897)	(345,245)
Total Capital	613,801	576,695	537,003	101,484	77,863	384,623	349,051	301,703
Total Liabilities & Capital	885,561	821,736	823,009	774,021	366,514	711,739	646,308	608,777

Diablo Community Service District
Cash Flow Statement
8 months ended February 28, 2017

	July	August	September	October	November	December	January	February	Year to Date
<i>Cash Flows from operating activities</i>									
Net Income	\$ (33,147)	\$ (37,103)	\$ (39,692)	\$ (435,520)	\$ (23,622)	\$ 306,761	\$ (35,570)	\$ (47,348)	\$ (345,241)
Adjustments to reconcile net income to net cash provided by operating activities									
Accumulated Depreciation	173	173	173	173	887	887	887	887	4,241
Accounts Receivable									0
Prepaid Expenses	43	43	43	43	43	43	43	43	346
Accounts Payable	26,787	(31,719)	35,965	381,531	(388,886)	33,465	(34,859)	4,817	27,101
Accrued Expenses									0
Total Adjustments	27,004	(31,502)	36,182	381,747	(387,955)	34,395	(33,929)	5,747	31,688
Net Cash provided by Operations	(6,143)	(68,605)	(3,510)	(53,773)	(411,577)	341,156	(69,499)	(41,601)	(313,554)
<i>Cash Flows from investing activities</i>									
Used For									
Other Fixed Assets									0
Automobile Sinking Fund					(3,864)				(3,864)
Bridge Sinking Fund	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(40,000)
Net cash used in investing	(5,000)	(5,000)	(5,000)	(5,000)	(8,864)	(5,000)	(5,000)	(5,000)	(43,864)
<i>Cash Flows from financing activities</i>									
Proceeds From									
Other Liabilities	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	40,000
Used For									
Net cash used in financing	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	40,000
Net increase <decrease> in cash	(6,143)	(68,605)	(3,510)	(53,773)	(415,441)	341,156	(69,499)	(41,601)	(317,417)
<i>Summary</i>									
Cash Balance at End of Period	633,946	565,340	561,829	508,056	92,615	433,771	364,271	322,670	322,670
Cash Balance at Beg of Period	(640,090)	(633,946)	(565,340)	(561,829)	(508,056)	(92,615)	(433,771)	(364,271)	(640,090)
Net Increase <Decrease> in Cash	\$ (6,144)	\$ (68,606)	\$ (3,511)	\$ (53,773)	\$ (415,441)	\$ 341,156	\$ (69,500)	\$ (41,601)	\$ (317,420)