

**DIABLO COMMUNITY SERVICES DISTRICT  
MINUTES  
BOARD OF DIRECTORS MEETING  
DIABLO ROOM, DIABLO COUNTRY CLUB  
FEBRUARY 12, 2019, 7:30 PM**

**CALL TO ORDER:** President Ray Brant at 7:32 pm

**ROLL CALL:** Secretary, Jeff Eorio

Directors: Brant, Urbelis, Becker, Eorio, Isom

President Brant announced the cancellation of the DMAC meeting.

1. **PUBLIC COMMENTS:**

Nicola Place discussed road maintenance of Mt. Diablo Scenic; the District website states that they are a part of Diablo's roads maintenance program which Mt. Diablo Scenic is not, so that needs to be corrected on the website.

Hal Seibert, concerned about the easement, is trying to get up to speed with the third cause of action with the Tiernan lawsuit, he wrote a letter to the Board; the easement has been in existence since 1979, that in any settlement agreement this Board does not have the power or authority to expunge the easement.

Tony Geisler, speaking on behalf of his wife Dee, spoke of an incident on Calle Arroyo; the teenage bikers from either Monte Vista or SRV High school caused an altercation with his wife. She also had a conversation with Bike East Bay representative who suggested a pedestrian path on the golf course side of Calle Arroyo, which is an unrealistic expectation. The only solution is for Danville to fix Diablo Road.

Bob Tiernan, spoke about Calle Arroyo which he stated is now private yet Mr. Kalin continues to ride on that "private" road; and about the letter that Mr. Kalin sent to the USPS several years ago. Bob is fed up with the arrogance and violations of the judge's order.

Paul Ambrose stated that Mr. Kalin is his guest and he is welcome to utilize Calle Arroyo at any time as his guest. He also requested that at some time the vote of each director on the third cause of action must be made public.

Arlene Reed, thanked the board for their volunteer service, and she strongly supports Kathy Torru as the new GM with her knowledge and background with the District. It would be a loss if she were not offered the position. She questioned the cancelled DMAC meetings and wanted to know if anyone checked with the developer of the old Smith property and what is going to happen there. President Brant replied about how DMAC operates regarding variances, etc. with the planning and development of property within Diablo.

**2. APPROVAL OF MINUTES:**

**December 11, 2018** Motion by Becker and second by Isom to approve with typographical corrections. Approved.

**January 8, 2019** Motion Isom and second Urbelis, approved with typographical corrections. Approved

**January 22, 2019** Motion Urbelis, second, Isom, approved with typographical corrections. Approved.

- 3. FINANCIAL:** Presentation of Financial Reports for January 2019; Director Isom was assisted by Kathy Torru in preparing the January financials which will be posted to the website.

**4. REPORTS:**

**DIABLO COUNTRY CLUB:** Hank Salvo No report

**CONTRA COSTA COUNTY:** Alicia Nuchols informed the Board of the required trainings including ethics training as the Board is also the MAC for the County.

**DIABLO PROPERTY OWNERS REPORT:** Don Nejedly was pleased to introduce Dana Pingatore as the new president of the DPOA. Membership campaign is underway, but only one third of residents are members to date.

**SECURITY:** Deputy Sheriff Dan Buergi introduced Lt. Haynes, his supervisor here at Valley Station. The Deputy gave a report on the traffic situation and asked if they should continue the enforcement efforts one day a week doing traffic and was directed by the Board to continue the enforcement efforts. Homes for sale in Diablo have been burglarized and there are some issues in Danville and Blackhawk like this as well. There is no specific pattern of these crimes of opportunity. Lt. Haynes spoke about the burglary issue; they have leads but no arrests. Director Isom asked what to do about rowdy drivers and was advised to call the non-emergency # 646-2441 for the Sheriff's office.

**ROADS, BRIDGES & CULVERTS:** Director Becker stated that on Kay's trail a branch fell over the trail and MCE took care of it. Deputy Buregi spoke as well about the fallen fence on Kay's Trail.

**5. REQUIRED FORMS AND TRAININGS:**

Director Eorio spoke of the required forms and trainings; FPPC Form 700 and AB1234 Ethics Training for all new Board members and recommend old members repeat the training as well.

6. **CLOSED SESSION:** was announced at 8:02
  - a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION pursuant to Government Code Section 54956.9(d)(1) (Tiernan et al. v. Diablo Community Services District et al., Contra Costa County Superior Court Case No. C17-02529; additional cases unknown) and CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION pursuant to Government Code Section 54956.9(d)(2) (significant exposure – 1 case).
  - b. PUBLIC EMPLOYEE - EMPLOYMENT pursuant to Government Code Section 54957(b) (general manager).
7. **RECONVENE OPEN SESSION:** No reportable action was taken during closed session, which was announced at 10:20 pm.
8. **ADJOURNMENT:** at 10:22, with the next DCSD Regular Board meeting scheduled for March 12, 2019 at 7:30 pm in the Diablo Room of the Diablo Country Club.

Respectfully submitted.

Jeff Eorio, Secretary

Diablo Community Services District  
Profit and Loss Statement  
7 months ended January 31, 2019

	July	August	September	October	November	December	January	YTD	Budget YTD	Prior YTD
Income										
Ad Valorem Taxes	-	-	-	-	11,747	246,568	-	258,315	247,789	233,318
Road & Security Fees	-	-	-	-	-	-	-	-	-	134,453
Meas B Special Tax	-	-	-	-	-	155,050	-	155,050	155,452	-
Traffic Fines	29	-	16	151	625	155	187	1,164	700	474
Interest Income	6	4	2	1	-	-	-	14	35	25
<b>Total Income</b>	<b>35</b>	<b>4</b>	<b>18</b>	<b>152</b>	<b>12,372</b>	<b>401,773</b>	<b>187</b>	<b>414,543</b>	<b>403,976</b>	<b>368,270</b>
Expenses										
Sheriff Security	32,000	32,000	20,500	23,292	24,829	26,468	27,518	186,607	232,394	220,768
Other	-	-	-	1,191	-	-	-	1,191	-	-
Road Maintenance	-	5,000	-	-	-	-	-	5,000	10,000	9,004
Storm Patrol & Emerg Resp	-	-	-	-	-	-	-	-	3,000	-
Gardener	100	100	100	100	100	100	100	700	700	700
Trail and Island Maintenance	-	-	-	-	-	-	-	-	2,500	-
General Manager	2,500	2,500	2,500	2,500	2,500	2,500	-	15,000	17,500	12,250
Legal	-	60,863	16,299	15,610	17,770	20,177	11,186	141,905	58,400	18,989
Audit	-	-	-	6,600	-	3,300	-	9,900	9,500	9,250
Other Professional	55	55	469	2,001	55	55	251	2,941	3,500	2,453
County/State Notices and Fees	-	50	-	-	-	-	39	89	-	162
Insurance-Cmml and D&O	-	-	-	7,154	-	9,084	-	16,238	20,900	20,591
Administrative	765	14	12	306	109	-	-	1,206	700	1,014
Depreciation Expense	755	755	755	755	755	755	755	5,287	5,285	5,287
Miscellaneous	-	-	-	435	91	36	2,508	3,070	2,850	3,851
<b>Total Expenses</b>	<b>36,175</b>	<b>101,337</b>	<b>40,635</b>	<b>59,944</b>	<b>46,209</b>	<b>62,475</b>	<b>42,357</b>	<b>389,134</b>	<b>367,229</b>	<b>304,319</b>
<b>Net Income</b>	<b>(36,140)</b>	<b>(101,333)</b>	<b>(40,617)</b>	<b>(59,792)</b>	<b>(33,837)</b>	<b>339,298</b>	<b>(42,170)</b>	<b>25,409</b>	<b>36,747</b>	<b>63,951</b>

Diablo Community Services District  
Balance Sheet  
January 31, 2019

	July	August	September	October	November	December	January
<b>ASSETS</b>							
Current Assets							
Checking	19,053	50,626	21,694	11,626	37,633	363,053	337,443
Money Mrkt	200,794	100,798	100,800	25,801	5,000	5,000	5,000
Accounts Receivable	2,200	2,200	2,200	2,200	2,200	-	-
Prepaid Expenses	11,358	11,303	11,248	11,193	11,138	11,083	11,028
<b>Total Current Assets</b>	<b>233,405</b>	<b>164,927</b>	<b>135,942</b>	<b>50,820</b>	<b>55,971</b>	<b>379,136</b>	<b>353,471</b>
Property and Equipment							
Computer Equip	5,917	5,917	5,917	5,917	5,917	5,917	5,917
Automobile	42,817	42,817	42,817	42,817	42,817	42,817	42,817
Other Fixed Assets	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Accumulated Depreciation	(22,319)	(23,075)	(23,830)	(24,585)	(25,340)	(26,096)	(26,851)
<b>Total Property and Equipment</b>	<b>28,915</b>	<b>28,159</b>	<b>27,404</b>	<b>26,649</b>	<b>25,894</b>	<b>25,138</b>	<b>24,383</b>
Other Assets							
Cruiser Replacement Fund	36,833	37,833	38,833	39,833	40,833	41,833	42,833
Bridge Repair Reserve	305,000	310,000	315,000	320,000	325,000	330,000	335,000
Culvert Repair Reserve	-	-	-	-	-	30,500	30,500
<b>Total Other Assets</b>	<b>341,833</b>	<b>347,833</b>	<b>353,833</b>	<b>359,833</b>	<b>365,833</b>	<b>402,333</b>	<b>408,333</b>
<b>Total Assets</b>	<b>604,153</b>	<b>540,919</b>	<b>517,179</b>	<b>437,302</b>	<b>447,698</b>	<b>806,607</b>	<b>786,187</b>
<b>LIABILITIES AND CAPITAL</b>							
Current Liabilities							
Accounts Payable	32,100	64,200	75,076	48,991	87,224	70,335	86,086
<b>Total Current Liabilities</b>	<b>32,100</b>	<b>64,200</b>	<b>75,076</b>	<b>48,991</b>	<b>87,224</b>	<b>70,335</b>	<b>86,086</b>
Long-Term Liabilities							
Other Liabilities	341,833	347,833	353,833	359,833	365,833	402,333	408,333
<b>Total Long-Term Liabilities</b>	<b>341,833</b>	<b>347,833</b>	<b>353,833</b>	<b>359,833</b>	<b>365,833</b>	<b>402,333</b>	<b>408,333</b>
<b>Total Liabilities</b>	<b>373,933</b>	<b>412,033</b>	<b>428,909</b>	<b>408,824</b>	<b>453,057</b>	<b>472,668</b>	<b>494,419</b>
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
Retained Earnings	(973,620)	(973,620)	(973,620)	(973,620)	(973,620)	(973,620)	(973,620)
Net Income	(36,140)	(137,473)	(178,088)	(237,882)	(271,718)	67,579	25,409
<b>Total Capital</b>	<b>230,219</b>	<b>128,886</b>	<b>88,271</b>	<b>28,477</b>	<b>(5,359)</b>	<b>333,938</b>	<b>291,769</b>
<b>Total Liabilities &amp; Capital</b>	<b>604,152</b>	<b>540,919</b>	<b>517,180</b>	<b>437,301</b>	<b>447,698</b>	<b>806,606</b>	<b>786,187</b>

Diablo Community Services District  
Cash Flow Statement  
7 months ended January 31, 2019

	July	August	September	October	November	December	January	YTD
Cash Flows from operating activities								
Net Income	(36,140)	(101,333)	(40,616)	(59,792)	(33,837)	339,298	(42,171)	25,409
Adjustments to reconcile net income to net cash provided by operating activities								
Accumulated Depreciation	755	755	755	755	755	755	755	5,287
Accounts Receivable	-	-	-	-	-	2,200	-	2,200
Prepaid Expenses	55	55	55	55	55	55	55	384
Accounts Payable	32,100	32,100	10,876	(26,085)	38,233	(16,889)	15,751	86,086
Sales Tax Payable	-	-	-	-	-	-	-	-
Accrued Expenses	(90,027)	-	-	-	-	-	-	(90,027)
Total Adjustments	(57,117)	32,910	11,686	(25,275)	39,043	(13,879)	16,561	3,930
Net Cash provided by Operations	(93,257)	(68,423)	(28,930)	(85,067)	5,206	325,420	(25,610)	29,339
Cash Flows from investing activities								
Used For								
Cruiser Replacement Fund	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(7,000)
Road Sinking Fund	-	-	-	-	-	-	-	-
Bridge Repair Reserve	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(35,000)
Culvert Repair Reserve	-	-	-	-	-	(30,500)	-	(30,500)
Other Assets	-	-	-	-	-	-	-	-
Net cash used in investing	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(36,500)	(6,000)	(72,500)
Cash Flows from financing activities								
Proceeds From								
Other Liabilities	-	-	-	-	-	-	-	-
Other Liabilities	6,000	6,000	6,000	6,000	6,000	36,500	6,000	72,500
Opening Balance Equity	-	-	-	-	-	-	-	-
Net cash used in financing	6,000	6,000	6,000	6,000	6,000	36,500	6,000	72,500
Net increase <decrease> in cash	(93,257)	(68,423)	(28,930)	(85,067)	5,206	325,420	(25,610)	29,339
Summary								
Cash Balance at End of Period	219,847	151,424	122,494	37,427	42,633	368,053	342,443	342,443
Cash Balance at Beg of Period	(313,104)	(219,847)	(151,424)	(122,494)	(37,427)	(42,633)	(368,053)	(313,104)
Net Increase <Decrease> in Cash	(93,257)	(68,423)	(28,930)	(85,067)	5,206	325,420	(25,610)	29,339