DIABLO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
DIABLO COUNTRY CLUB CURTOLA ROOM
August 10, 2026, 6:00 P.M.

CALL TO ORDER: President Cox called the meeting to order at 6:00 pm

ROLL CALL: Secretary Bonny called the roll as follows:

Directors present: Cox, Lorenz, Luecht, Bonny
Directors absent: None

OFFICIALS/STAFF IN ATTENDANCE:

Cameron Collins (Contra Costa County Liaison)
Deputy Candace Kukla (Contra Costa County Sheriff's Department)
Hank Salvo (Diablo Country Club Liaison)
Zach Scalzo (General Counsel, Best, Best, & Krieger LLP)
Kathy Torru (General Manager)

President Cox welcomed Directors, guests, and the public and explained the rules for public comment.

PUBLIC COMMENTS:

Jeff Eorio expressed concern about the Creek Stabilization costs in excess of the FEMA grant and whether the District should absorb the additional cost since the project is on private property.

Dale Walsh asked the District to remind property owners to clear their creek property of debris in preparation for the El Niño winter storms.

BOARD/STAFF COMMUNICATION AND ACTIONS:

ADMINISTRATIVE:

RecycleSmart Presentation

Judith Silver, RecycleSmart Senior Waste Prevention Recycling Manager, presented the Board with what's new in Recycling. Effective March 2027, Diablo residents will be able to request 2 green containers and 2 blue containers free of charge. Also, beginning in 2027, additional reuse and cleanup days will be added. For more information, visit the RecycleSmart website at https://www.recyclesmart.org.

Urban Futures Presentation

Wing-See Fox, Urban Futures Managing Director of the Public Finance Group, presented the Board with a Bridge Replacement funding strategy and timeline. A copy of the presentation is attached. The tentative plan is to fund the replacement of the District's 3 bridges with General Obligation Bonds payable over 20-30 years. Diablo registered voters will be asked to approve the General Obligation Bond financing in a Special Mail-in Ballot election on May 4, 2027. Resident communications and Town Halls will be conducted in the fall and winter to educate the community and address questions and concerns.

Jerry Slavonia Resignation and Director Appointment
Public Comments

Tony Geisler announced his support for Jessica Raefield as interim DCSD Director. Tony stated that Jeff Mini, Ray Brant, and Robert Canepa also support Jessica Raefield.

General Manager Torru read a letter from Maryann Cella expressing her support for Jessica Raefield.

General Manager Torru read a letter from Katie Nittler expressing her support for Steve Lichliter as interim DCSD Director.

President Cox announced the resignation of Director Jerry Slavonia and thanked him for his service to the District and Community. President Cox explained the Director Vacancy appointment process, which is guided by the District's Bylaws and County regulations. The Director vacancy was announced at the DCSD July 14, 2026, Special Meeting, and the General Manager was instructed to post a Vacancy Notice inviting residents to apply for the position. The District received applications from Steve Lichliter and Jessica Raefield. Directors were provided the candidate applications in advance of the meeting.

On motion by President Cox and second by Director Luecht, Jessica Raefield was appointed to fill the Director vacancy. Motion passed 4-0.

FINANCES:

FY2026 Financial Report

Director Lorenz reported that the District ended FY2026 (June 30, 2026) with a favorable budget variance and a cash balance of $2.1 million. The District is financially healthy but is cautious about future financial needs due to aging infrastructure and escalating costs. $458k of the District's cash is FEMA funds earmarked for the Creek Bank Stabilization project at 2121 Alameda Diablo. $500k of the cash is District reserves. The remaining $1.1m in cash is earmarked for road slurry in the fall of 2027, culvert maintenance, emergency road and culvert repairs, storm response, and upfront costs associated with the bridge replacement project. The financial report is available on the District's website.

FY2026 Financial Audit

Director Lorenz reported that Richardson & Co. has started the audit of the District's financial statements for the 12 months ending June 30, 2026. The audit is scheduled to be completed before the October Board Meeting. The audit report will be presented at the October 12 Regular Meeting.

ROADS:

Bridge Replacement Financial Advisor Proposal

President Cox reminded the Board that at the June 8 DCSD Regular Meeting, the Directors authorized a Subcommittee of President Cox, Director Lorenz, and General Manager Torru to procure a financial advisor and engineer, and to engage legal counsel to advise the District on the Bridge Replacement funding options and process. The Subcommittee recommends Urban Futures as the financial advisor. Urban Futures is a well-established public-sector financial advisor that came highly recommended by General Counsel, Best, Best & Krieger. Coincidentally, one of Urban Futures' principals is a long-time Diablo resident and prior DCSD Board member. Urban Futures submitted a proposal with a fee of $5,000 to guide the District through the General Obligation Bond Ballot Measure (already approved June 8) planned for May 4, 2026, and a fee of $50,000 to secure the Bond Funding if the May 4 Ballot Measure passes.

On motion by President Cox and second by Director Luecht, the Board authorized President Cox and General Manager Torru to negotiate a professional services agreement with Urban Futures Inc. to provide bond financing services (contingent upon passage of the funding ballot measure) for the Bridge Replacement Project at a cost not to exceed $50,000. Motion passed 4-0.

Creek Bank Stabilization Project Update

General Manager Torru reported that on December 31, 2022, Diablo experienced a severe winter storm that caused the creek bank at 2121 Alameda Diablo to collapse, threatening Alameda Diablo and the gas line below. An emergency temporary repair was authorized to prevent the collapse of Alameda Diablo. The repair included two tons of riprap to stabilize the creek bank. This repair was funded by FEMA. FEMA subsequently provided the District with additional funds of $457k to perform a permanent repair of the site. Regulatory permits from the California Water Resources Board, Army Corps of Engineers, and Department of Fish and Wildlife (CDFW) were required as part of the funding. The District secured the final permit this past week and is publishing the RFP this week to solicit bids to perform the permanent repair of the Creek Bank. The Board will hold a Special Meeting on August 25 at 5 pm to review the proposals and award the contract. The Creek Bank Stabilization Project is scheduled to begin in early September and take 3 weeks.

Creek Bank Stabilization Project Biologist Proposal

The CDFW permit requires a biologist to monitor the creek site before, during, and after the Creek Bank Stabilization Project. Olberding Environmental has submitted a proposal of $55,100 to perform the work. The Board is being asked to authorize the expense now, but the contract will not be entered into until a project contractor is secured.

On motion by President Cox and second by Director Luecht, the Board authorized President Cox and General Manager Torru to negotiate a professional services agreement with Olberding Environmental to provide biological monitoring during the Creek Bank Stabilization Project as required by the California Department of Fish and Wildlife, at a cost not to exceed $55,100. Motion passed 4-0.

Creek Bank Stabilization Project Landscape Proposal

Biggs Cardosa, the engineering firm for the Creek Bank Stabilization Project, requires a landscape plan to meet the vegetation requirements in the CDFW permit. HMH Landscape and Architecture has been identified by Biggs to provide the required services. The proposal is for $10,000.

On motion by President Cox and second by Director Luecht, the Board authorized President Cox and General Manager Torru to negotiate a professional services agreement with HMH Landscape & Architecture to provide landscape plans for the Creek Bank Stabilization Project at a cost not to exceed $10,000. Motion passed 4-0.

Caballo Ranchero Dr Sinkhole Repair

President Cox reported that at the corner of Caballo Ranchero Dr and Casa Nuestra, a sinkhole has developed. Brixco provided the District with a proposal of $8,500 to repair the road.

On motion by President Cox and second by Director Luecht, the Board authorized President Cox and General Manager Torru to negotiate a maintenance agreement with Brixco for the asphalt repair on Caballo Ranchero Dr at a cost not to exceed $8,500. Motion passed 4-0.

EBMUD Waterline Replacement Project Update

President Cox reported that Diablo's waterlines, which provide all of us with our drinking water, are nearing the end of their useful life. Most of the lines were installed in the 1960s. The waterlines are located below the road surface, so the replacement of these lines is a time-consuming and disruptive process. EBMUD owns and maintains the waterlines and will be the contractor responsible for the replacement project. The first phase of this project took place this past spring and summer on Caballo Ranchero Dr and Ct. This week, the temporary asphalt repair will be replaced with permanent asphalt, which will complete that phase of the project. The second phase of the project is scheduled to begin in mid-September and will last through spring 2027. Once the details are confirmed with EBMUD, the District will send an email to all residents with the project details.

SECURITY:

President Cox and Deputy Kukla provided a security update. There were no incidents to report.

GENERAL MANAGER:

General Manager Torru presented a list of District activities since the last meeting.

CONSENT CALENDAR:

On motion by President Cox and second by Director Lorenz, the consent calendar was approved. Motion passed 3-0-1. Director Luecht abstained as he was absent.

REPORTS:

CONTRA COSTA COUNTY:

Cameron Collins reported that the Mt Diablo Scenic Blvd signalization project work should be completed and the traffic signal activated this week.

Cameron had no update on the Town of Danville Diablo Road Trail Project.

DIABLO COUNTRY CLUB:

Hank Salvo reported that the Diablo Country Club is doing well.

DIRECTOR COMMENTS: None

FUTURE AGENDA ITEMS:

President Cox announced that the Flock ALPR contract and the General Manager's compensation will be included in upcoming agendas.

CALL OF NEXT MEETING/ADJOURNMENT:

President Cox called the next meeting for September 14, 2026, at 6:00 pm at Diablo Country Club. There being no further business, the meeting was adjourned at 7:32 p.m.

Diablo Community Services District by

Kathy Torru, General Manager

DIABLO COMMUNITY SERVICES DISTRICT

August 2026



UFI Financial Solutions

Municipal Financial Advisory Services

Financing Options

	Stand-Alone Bond Authority		Leverage through General Fund	
	Property Tax (GO Election)	**Special Tax (CFD)**	**Parcel Tax**	**Utility Users Tax (UUT)**
Who Votes	Registered voters	Landowners or Registered voters if >12 (specific area)	Registered voters	Registered voters
Voting For	Bonding authorization	Bonding authorization & fixed charge	Fixed charge	Tax rate percent
General/ Special Tax	Special	Special	Special	Either
Collection Method	County property tax bill	County property tax bill	County property tax bill	Utility bill
Types of Bonds	**GO Bonds**	**Special Tax Bonds**	**Lease Revenue Bonds**	**Lease Revenue Bonds**

- Elections for General Obligation and Special Tax (CFD) Bonds authorize both the issuance of bonds to generate upfront proceeds for capital projects and the tax levies to pay for bond debt service
- Elections for Parcel Tax and Utility Users Tax authorize only the tax (issuance of bonds secured by the taxes are not authorized)—new revenues can be used for O&M and paygo capital projects

Types of Bonds

	Higher Credit Quality				Lower Credit Quality
Security Type	**General Obligation Bonds**	**Enterprise Revenue Bonds**	**Lease Revenue Bonds/ COPs**	**Tax Increment Bonds**	**Land-Secured Bonds**
Revenue Pledge	Secured by property taxes (cities, schools, special districts, or State).	Net revenue pledge with rate covenant (water or sewer services, tolls, parking fees, etc.).	Lease payments for use of asset (typically essential property is leased back from financing authority).	Tax increment revenue from increased assessed valuation in defined project area.	Special tax or assessment on property. Bonds are backed by property in defined area.
Vote Required?	Yes. In California there is a 2/3 vote for local bonds; school districts require 55% approval. California state bond measures require a simple majority vote for passage.	No public vote required. Approval by agency board is required.	No public vote required. Approval by agency board is required.	No public vote required. Approval by agency board is required. Public process required to establish project area.	Yes. In California, a 2/3 vote by property owners for Community Facilities Districts and simple majority for Assessment Districts.

General Obligation Bonds

- **Overview**
  - Bonds secured by the District's full taxing power—repaid through an annual property tax levied on the property tax roll, based on each property's assessed value (including non-residential); tax is levied at a rate to repay debt service and ends when bonds mature
  - 2/3rds voter approval; voters approve total bond amount and use of proceeds, not tax rate or annual payment
  - Bond proceeds deposited into separate account and used only for the purposes stated in the bond measure
  - All expenditures subject to annual independent financial audit, with annual reporting to the Board
- **Advantages**
  - Authorizes issuance of bonds to generate upfront proceeds for capital improvements
  - Generates new revenue source to repay debt
  - Lowest interest cost due to ad valorem security and unlimited tax pledge
- **Limitations**
  - Proceeds cannot fund operations or maintenance
  - Bond amount is capped once authorized

Diablo CSD Assessed Value History

Diablo CSD Historical Assessed Value		
Year	Total Assessed Value	% Change
2017	$646,890,977	
2018	$680,859,463	5.25%
2019	$715,217,545	5.05%
2020	$750,042,361	4.87%
2021	$782,270,346	4.30%
2022	$808,154,223	3.31%
2023	$859,834,534	6.39%
2024	$917,021,868	6.65%
2025	$959,100,279	4.59%
2026	$1,002,167,341	4.49%
	Average	**4.99%**

Source: Urbics Analytics LLC

- The District's tax base has grown by 55% since 2017
- The District's 2025-26 assessed value is approximately $1.0 billion; the average annual AV growth rate is 4.99%

General Obligation Bond Proceeds

Diablo CSD Bond Proceeds at Varying Tax Rates [1]				
Tax Rate per $100,000 of A.V.	Series A 2027	Series B 2029	Series C 2031	Total Bond Proceeds
$50.00	$4,300,000	$4,300,000	$4,300,000	$12,900,000
$60.00	$5,200,000	$5,100,000	$5,100,000	$15,400,000
$70.00	$6,000,000	$5,900,000	$6,000,000	$17,900,000

(1) Assumes AV growth of 3.00% and 30 year bond terms; Preliminary – Subject to change

Source: Urban Futures, Inc.

- Estimated average tax rates based on varying bond proceeds generated

May 2027 Special Election Timeline*

Task	Responsible Party	Date
Board Meeting - Approve "exploring" feasibility of a General Obligation Bond Measure	**District**	**August**
Preliminary engineering for cost estimates	District	August – September
Community outreach and engagement, public information, speaking with stakeholders to discuss proposed tax measure	District/UFI	September - January
Town Hall Meeting #1	District/UFI	October
Prepare and conduct voter opinion survey *(if needed)*	UFI	November
Board Meeting – Survey results presentation *(if needed)*	**UFI**	**December**
Town Hall Meeting #2 *(if needed)*	District/UFI	January
Prepare Resolution Calling Election, including Ballot Language and Tax Rate Statement	UFI/Attorneys	January
Board Meeting – Adopt Resolution Calling Election	**District**	**January**
Deadline to Submit Resolution Calling Election	**District**	**February 5, 2027**
Prepare and Submit Impartial Analysis and Argument in Favor of Measure	UFI/Attorneys/District	February
Elections Do's and Don'ts Presentation	Attorneys	February
Pro/Information Campaign	Diablo CSD Residents	February – April
Ballots Mailed	County	April
Election Day		**May 4, 2027**

- If Bond Measure is approved by voters (results are certified and declared), the District can complete engineering and design of the projects, apply for permits, refine bond program/structuring, and issue General Obligation Bonds to fund the bridge projects

UFI Financial Solutions

**Preliminary, subject to change*

Regulatory Disclosure

Disclosure of Conflicts of Interest and Legal or Disciplinary Events. Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients and potential clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Urban Futures, Inc. ("UFI") and its associated persons.

Conflicts of Interest. Compensation. UFI represents that in connection with the issuance of municipal securities, UFI may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, UFI hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding UFI's ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair UFI's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

It should be noted that other forms of compensation (i.e. hourly or fixed fee based) may also present a potential conflict of interest regarding UFI's ability to provide advice regarding a municipal security transaction. These other potential conflicts of interest will not impair UFI's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

Other Municipal Advisor Relationships. UFI serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another UFI client. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, UFI could potentially face a conflict of interest arising from these competing client interests. UFI fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.

If UFI becomes aware of any additional potential or actual conflict of interest after this disclosure, UFI will disclose the detailed information in writing to the issuer or obligated person in a timely manner.

Legal or Disciplinary Events. UFI does not have any legal events or disciplinary history on UFI's Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Issuer may electronically access UFI's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against UFI, UFI will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate UFI, its management and personnel.

Diablo Community Services District
Financial Report
June 30, 2026

	July	August	September	October	November	December	January	February	March	April	May	June	Actual YTD	2026 Budget	Act vs Bud Variance
Beginning Cash	1,825,138	1,657,740	1,630,307	1,588,976	1,560,327	1,494,537	1,988,810	1,939,371	1,902,615	1,819,017	2,206,225	2,116,055	1,825,138	1,825,138	
Revenue															
Tax revenue	-	-	-	17,777	-	535,950	-	-	-	387,194	-	53,390	994,310	979,333	14,977
Other revenue	256	134	108	13	78	86	16	269	16	16	219	133	1,343	-	1,343
Total Income	256	134	108	17,789	78	536,036	16	269	16	387,210	219	53,523	995,653	979,333	16,320
Expenses															
Sheriff services	27,169	25,326	28,510	25,822	31,419	38,200	27,325	25,659	25,348	25,410	26,733	22,717	329,640	396,479	(66,839)
Road/bridge/culvert/trail	-	-	-	29,948	1,337	-	2,275	660	46,650	16,883	4,406	1,919	104,078	800,000	(695,922)
Professional services	8,708	14,184	7,409	20,294	9,397	5,080	7,398	9,749	7,859	13,870	7,446	6,147	117,540	104,666	12,874
Insurance	40,007	-	-	-	-	-	-	-	-	-	-	-	40,007	40,832	(825)
Administrative	192	87	-	819	1,165	4,999	979	172	-	-	-	211	8,624	6,800	1,824
Total Expenses	76,077	39,597	35,919	76,883	43,317	48,279	37,977	36,240	79,857	56,164	38,585	30,994	599,889	1,348,777	(748,888)
Net Income	(75,821)	(39,463)	(35,810)	(59,094)	(43,239)	487,757	(37,961)	(35,972)	(79,841)	331,046	(38,366)	22,529	395,765	(369,443)	765,208
Incr/(decr) in payable/prepaid	(91,577)	12,031	(5,521)	30,445	(22,551)	6,517	(11,479)	(784)	(3,757)	56,163	(51,804)	(2,761)	(85,079)		
Ending Cash	1,657,740	1,630,307	1,588,976	1,560,327	1,494,537	1,988,810	1,939,371	1,902,615	1,819,017	2,206,225	2,116,055	2,135,823	2,135,823		
Other Financial Data															
Prepaid/deposit															
Reserves (bridge/culvert)*	958,705	963,705	968,705	973,705	978,705	1,021,216	1,026,216	1,031,216	1,036,216	1,041,216	1,046,216	1,051,216			
Accounts payable	54,736	66,767	61,245	91,690	69,139	75,656	64,177	63,393	59,636	90,389	7,438	61,235			
Other liabilities (FEMA Grant)	457,878	457,878	457,878	457,878	457,878	457,878	457,878	457,878	457,878	457,878	457,878	457,878			

Notes

* reserves are unfunded