

**DIABLO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING
MINUTES
DIABLO ROOM, DIABLO COUNTRY CLUB
April 10, 2018 7:30 p.m.**

CALL TO ORDER: President Ray Brant called the meeting to order at 7:36 p.m.

ROLL CALL: Secretary Kathy Torru called the roll as follows:

Directors present: Brant, Torru, Urbelis, Langon, Watson

Directors absent:

PUBLIC COMMENTS: Bob Tiernan Jr. expressed his displeasure with the Board for defending itself against a lawsuit filed by Tiernan et al against the DCSD.

Tony Geisler spoke about the vehicle grid lock on Avenida Nueva on March 23rd and the inconvenience to the residents trying to enter or leave Diablo, and the danger it posed to the entire community since emergency vehicles could not get through. Several other members of the audience and Board expressed the same frustration and requested that the Board address the issue.

Bob Haggerty asked if Via Diablo was maintained by the District. GM Richard Breitwieser said no and explained that the road would need to meet the criteria listed in the District's Ordinance Code in order to be considered for acceptance.

ACTION ITEMS:

On motion by Director Urbelis, second by Director Watson, the minutes of the March 13, 2018 Regular Meeting were unanimously approved.

On motion by Director Torru, second by Director Langon, the minutes of the March 13, 2018 Special Meeting were unanimously approved.

On motion by Director Torru, second by Director Urbelis, Resolution No. 2018-02 (attached) declaring and confirming the election results of Measure B were unanimously approved.

REPORTS:

CONTRA COSTA COUNTY:

No report.

Alicia Nuchols reported:

DIABLO COUNTRY CLUB:

The club will be hosting a large event Thursday evening April 12th and has contracted with private valets, private security and the sheriff's department to address potential parking issues and presence of uninvited guests.

Hank Salvo reported:

On April 17th the Club will hold a member meeting to present a Club master plan which includes proposals for a Clubhouse remodel. The Club water project is still in CEQA.

DIABLO PROPERTY OWNERS REPORT:

The DPOA has distributed the 2018 auto decals and 2018 Directory to those residents who renewed their DPOA membership for 2018. 60 residents purchased the Flag Kits so Memorial Day in Diablo will have 60 more flags displayed paying tribute to our military.

Don Nejedly reported:

The Historical Preservation Committee 2018 Diablo Historic Home Tour is May 19th.

ROADS:

Director Langon reported:

MCE performed 2 storm patrols in March and cut back saplings from the Alameda Diablo entrance bridge.

A tree came down on upper Alameda Diablo blocking the entire road. MCE responded within an hour, cut up the tree and removed the blockage from the road.

This spring MCE will power wash all 3 bridges at a cost of approx. \$800 each.

MCE provided a cost estimate of between \$1,000 and \$1,500 to add ears to the ends of the Caballo Ranchero bridge (similar to the other bridges).

Director Watson expressed concern about vegetation encroaching onto the roads. Once the rains have passed the District will commence its annual campaign to remind residents to cut back their vegetation.

SECURITY:

Deputy Sheriff Dan Buergi presented:

March Security Report. There was one incident reported, the theft of a few real estate signs.

ACTION ITEM: On motion by Director Watson, second by Director Urbelis, the Board unanimously authorized additional weekend traffic detail for May through September at approximately 1/3 the cost of the current weekend security coverage.

FINANCIAL:

Director Torru presented:

March Financial Report. The District's net income is in line with the budget and at the end of March the District had a cash balance of approx. \$280K.

A draft of the 2018-19 budget was presented to the Directors. A final draft will be voted on at the May meeting

COMMENTS BY DIRECTORS: None

CALL OF NEXT MEETING / ADJOURNMENT:

The President called the next meeting for May 8, 2018. There being no further business, the President adjourned the meeting at 8:27 pm.

Diablo Community Services District by

Kathy Torru, Secretary

RESOLUTION NO. 2018-02

**A RESOLUTION OF THE DIABLO COMMUNITY SERVICES DISTRICT
DECLARING AND CONFIRMING THE RESULTS OF THE SPECIAL ALL MAIL
BALLOT ELECTION HELD ON MARCH 6, 2018**

WHEREAS, the Diablo Community Services District (“District”) adopted Resolution No. 2017-02 on November 14, 2017 calling for a Special All Mail Ballot Election to be held in the District on March 6, 2018, entailing the levy of a tax upon taxable properties within the District at a rate of \$662.26 per improved parcel, \$128.06 per unimproved parcel, and \$23,444.68 for Diablo Country Club parcels, including an annual inflation adjustment; and

WHEREAS, said Special All Mail Ballot Election was held on March 6, 2018, in accordance with law; and the votes cast were received and canvassed, and the returns ascertained, determined, and declared in all respects as required by law; and

WHEREAS, the Contra Costa County Clerk-Recorder Elections Department provided the District with the record of votes cast at the election on March 14, 2018, which is attached hereto as Attachment A.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the District that:

1. The total number of ballots cast in the District at said Special All Mail Ballot Election was 283.
2. Measure B, the ballot measure that appeared and was printed upon the ballots used in said election, as well as the election results, are as follows:

To provide for road, bridge, culvert and trail maintenance and improvements, and security/police protection services for the community, shall the Diablo Community Services District adopt an ordinance to levy an annual special tax upon taxable properties within the District at a rate of \$662.26 per improved parcel, \$128.06 per unimproved parcel, and \$23,444.68 for Diablo Country Club parcels, including an annual inflation adjustment, providing \$285,000/year initially, and replace the existing fees?

<u>YES</u>	<u>NO</u>
191	91

3. Measure B received 191 yes votes, or 67.73% of votes cast, and as such, Ordinance No. 2017-02, which serves to levy the above referenced special tax, was adopted by the voters with an effective date of March 6, 2018.

4. The General Manager and Secretary are hereby authorized to sign Ordinance No. 2017-02 and are hereby instructed to enter this Resolution in the District's official records as a statement of the results of said Special All Mail Ballot Election.

PASSED AND ADOPTED by the Diablo Community Services District at a regular meeting duly held on the 10th day of April, 2018, by the following vote:

AYES, Brant, Torru, Urbelis, Langon, Watson

NOES, None

ABSTAIN, None

ABSENT, None

Dick Breitwieser
General Manager

Kathy Torru
Secretary

Diablo Community Services District
Profit and Loss Statement
9 months ended March 31, 2018

	July	August	September	October	November	December	January	February	March	YTD	Budget	Prior YTD
<i>Income</i>												
Ad Valorem Taxes	\$0	\$0	\$0	\$0	\$11,082	\$222,237	\$0	45,892		\$279,211	\$234,087	\$232,691
Road & Security Fees						134,453		19,557		154,010	135,722	131,768
Traffic Fines	177			110		151	36	-	560	1,034	2,628	4,345
Other Income										-	-	9,579
Interest Income	5	3	3	3	2	2	6	6	6	36	54	55
Total Income	182	3	3	113	11,084	356,843	42	65,455	566	434,291	372,491	378,438
<i>Expenses</i>												
Sheriff Security	30,000	37,132	30,088	33,817	32,785	27,934	29,012	32,321	31,336	284,425	273,789	272,272
Auto Repairs										-	500	0
Cell Phone										-	0	219
Other										-	0	350
Road Maintenance						8,200	804			9,004	10,000	399,468
Bridge Maintenance										-		
Bridge/Culvert Engineering										-		
Storm Drain Maintenance									1,766	1,766	5,000	3,370
Repair of Failed Culvert												185,076
Tree, Bush and Weed Trimming										-		3,019
Gardener	100	100	100	100	100	100	100	100	100	900	900	1,200
Trail and Creek Maintenance										-	1,250	
General Manager	1,750	1,750	1,750	1,750	1,750	1,750	1,750	2,500	2,500	17,250	15,750	15,750
Legal Retainer	1,850	1,850	1,850	1,850	1,850	1,850	1,850		1,020	13,970	16,650	16,650
Records Storage										-	1,250	1,248
Audit			3,500			5,750				9,250	9,250	9,000
Legal Notices and Fees						162				162		300
Assessors Roll/County Fees					60					60	50	28
Other Professional Fees	43	563	718	943	5,739	295	130	11,530	19,180	39,141	17,172	4,669
Insur Director and Officers						9,084				9,084	9,200	9,084
Insur Commercial and Auto				3,428		4,009				7,437	7,000	6,517
Insur Excess General Liability					4,070					4,070	4,000	3,970
DMAC Operating Expenses										-		
Administrative	17	13	2	42	16	279	647	4	208	1,228	225	337
Depreciation Expense	755	755	755	755	755	755	755	755	755	6,795	6,795	5,127
Miscellaneous	-		409			462	2,980			3,851	2,950	3,507
Total Expenses	34,515	42,163	39,172	42,685	47,125	60,630	38,028	47,210	56,865	408,393	381,731	941,161
Net Income	(34,333)	(42,160)	(39,169)	(42,572)	(36,041)	296,213	(37,986)	18,245	(56,299)	25,898	(9,240)	(562,723)

Diablo Community Services District
Balance Sheet
March 31, 2018

	July	August	September	October	November	December	January	February	March
ASSETS									
Current Assets									
Wells Fargo Checking Acct	\$100,534	\$58,971	\$54,960	\$5,223	\$23,378	\$160,233	\$69,516	\$134,960	\$33,269
Wells Fargo Money Market 2	128,737	128,740	128,744	100,747	50,748	250,750	250,757	250,763	250,769
Accounts Receivable	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Prepaid Expenses	173	130	86	1,840	1,797	1,742	11,687	11,632	11,578
Total Current Assets	231,644	190,041	185,990	110,010	78,123	414,925	334,160	399,555	297,816
Property and Equipment									
Computer Equip	5,917	5,917	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	42,817	42,817
Other Fixed Assets	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Accumulated Depreciation	(13,256)	(14,011)	(14,767)	(15,522)	(16,277)	(17,032)	(17,788)	(18,543)	(19,298)
Total Property and Equipment	37,978	37,223	36,467	35,712	34,957	34,202	33,446	32,691	31,936
Other Assets									
Automobile Sinking Fund	24,833	25,833	26,833	27,833	28,833	29,833	30,833	31,833	32,833
Bridge Sinking Fund	245,000	250,000	255,000	260,000	265,000	270,000	275,000	280,000	285,000
Total Other Assets	269,833	275,833	281,833	287,833	293,833	299,833	305,833	311,833	317,833
Total Assets	539,455	503,097	504,290	433,555	406,913	748,960	673,439	744,079	647,585
LIABILITIES AND CAPITAL									
Current Liabilities									
Accounts Payable	30,100	29,900	64,263	30,100	33,500	73,334	29,800	76,196	30,000
Accrued Expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Current Liabilities	33,100	32,900	67,263	33,100	36,500	76,334	32,800	79,196	33,000
Long-Term Liabilities									
Other Liabilities	269,833	275,833	281,833	287,833	293,833	299,833	305,833	311,833	317,833
Total Long-Term Liabilities	269,833	275,833	281,833	287,833	293,833	299,833	305,833	311,833	317,833
Total Liabilities	302,933	308,733	349,096	320,933	330,333	376,167	338,633	391,029	350,833
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	1,239,979
Retained Earnings	(969,123)	(969,123)	(969,123)	(969,123)	(969,123)	(969,123)	(969,123)	(969,123)	(969,123)
Net Income	(34,333)	(76,494)	(115,661)	(158,234)	(194,275)	101,938	63,951	82,195	25,896
Total Capital	236,523	194,362	155,195	112,622	76,581	372,794	334,807	353,051	296,752
Total Liabilities & Capital	539,456	503,095	504,291	433,555	406,914	748,961	673,440	744,080	647,585

Diablo Community Services District
Cash Flow Statement
9 month ended March 31, 2018

	July	August	September	October	November	December	January	February	March	YTD
<i>Cash Flows from operating activities</i>										
Net Income	(\$34,333)	(\$42,160)	(\$39,169)	(\$42,572)	(\$36,041)	\$296,213	(\$37,986)	\$18,245	(\$56,299)	\$25,898
Adjustments to reconcile net income to net cash provided by operating activities										
Accumulated Depreciation	755	755	755	755	755	755	755	755	755	6,797
Accounts Receivable				0						0
Prepaid Expenses	43	43	43	(1,754)	43	54.92	(9,945)	55	55	(11,361)
Accounts Payable	(6,843)	(200)	34,363	(34,163)	3,400	39,834	(43,534)	46,396	(46,196)	(6,943)
Accrued Expenses										0
Total Adjustments	(6,045)	598	35,161	(35,162)	4,198	40,644	(52,724)	47,206	(45,386)	(11,508)
Net Cash provided by Operations	(40,378)	(41,562)	(4,008)	(77,734)	(31,843)	336,857	(90,710)	65,451	(101,685)	14,390
<i>Cash Flows from investing activities</i>										
Used For										
Other Fixed Assets										0
Automobile Sinking Fund	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(9,000)
Bridge Sinking Fund	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(45,000)
Net cash used in investing	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(54,000)
<i>Cash Flows from financing activities</i>										
Proceeds From										
Other Liabilities	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	54,000
Used For										
Net cash used in financing	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	54,000
Net increase <decrease> in cash	(40,378)	(41,562)	(4,008)	(77,734)	(31,843)	336,857	(90,710)	65,451	(101,685)	14,390
<i>Summary</i>										
Cash Balance at End of Period	229,271	187,711	183,704	105,970	74,126	410,983	320,273	385,723	284,038	284,038
Cash Balance at Beg of Period	(269,650)	(229,271)	(187,711)	(183,704)	(105,970)	(74,126)	(410,983)	(320,273)	(385,723)	(269,650)
Net Increase <Decrease> in Cash	(40,379)	(41,560)	(4,007)	(77,734)	(31,844)	336,857	(90,710)	65,450	(101,685)	14,388

Diablo Community Services District
2018-2019 Draft Budget

July 1st thru June 30th	2019 Budget					Est Actual	Actual	Actual	Actual
	Q1	Q2	Q3	Q4	YTD	2017-2018	2016-2017	2015-2016	2014-2015
Income Statement									
Revenue									
Ad Valorem Tax	0	247,789	0	202,737	450,526	437,404	424,275	394,697	364,370
Road & Security Fees	0	155,452	0	127,188	282,641	244,460	239,579	232,159	225,733
Traffic Fines	300	300	300	300	1,200	1,159	4,479	3,355	3,319
Other Income	0	0	0	0	0	-	9,579		
Interest Income	15	15	15	15	60	54	69	83	142
Total Revenue	<u>315</u>	<u>403,557</u>	<u>315</u>	<u>330,240</u>	<u>734,427</u>	<u>683,077</u>	<u>677,981</u>	<u>630,294</u>	<u>593,564</u>
Expenses-Recurring									
Security									
Security / Sheriff	98,525	98,525	98,525	98,525	394,100	377,425	360,852	352,930	328,556
Auto Repairs	0	2,500	0	0	2,500	-	-	3,418	3,598
Other (office computer/cell)	0	0	0	0	0	-	569	200	400
Total Security	<u>98,525</u>	<u>101,025</u>	<u>98,525</u>	<u>98,525</u>	<u>396,600</u>	<u>377,425</u>	<u>361,421</u>	<u>356,548</u>	<u>332,554</u>
Road Maintenance									
Road Maintenance	0	10,000	0	305,000	315,000	9,004	407,392	292,579	612,188
Bridge Maintenance	0	0	0	0	0	-	-	13,790	61,279
Bridge Engineering/Consulting	0	0	0	0	0	-	-	3,275	-
Storm Patrol & Emerg Response	0	1,000	4,000	0	5,000	1,766	3,370	2,320	-
Culvert Failure					0	-	185,076		
Gardener	300	300	300	300	1,200	1,200	1,500	1,440	1,520
Trail and Island maint	0	2,500	0	2,500	5,000	2,500	2,000	9,884	10,500
Total Road Maintenance	<u>300</u>	<u>13,800</u>	<u>4,300</u>	<u>307,800</u>	<u>326,200</u>	<u>14,470</u>	<u>599,338</u>	<u>323,288</u>	<u>685,487</u>
Professional									
General Manager	7,500	7,500	7,500	7,500	30,000	24,750	21,000	21,000	21,000
Legal Retainer	3,600	3,600	3,600	3,600	14,400	18,370	25,200	22,200	22,200
Records Storage	0	0	1,500	0	1,500	1,250	1,248	1,188	1,128
Audit	0	9,500	0	0	9,500	9,250	9,000	5,000	8,658
Legal Notices	0	0	0	450	450	162	732	210	1,936
Assessors Role	0	50	0	0	50	60	28	33	811
Other Professional Fees	10,100	16,750	300	10,700	37,850	69,141	4,995	7,716	
Total Professional	<u>21,200</u>	<u>37,400</u>	<u>12,900</u>	<u>22,250</u>	<u>93,750</u>	<u>122,983</u>	<u>62,203</u>	<u>57,347</u>	<u>55,733</u>
Insurance									
Insur Director and Officers	0	9,200	0	0	9,200	9,084	9,084	9,084	8,889
Insur Commercial and Auto	0	7,500	0	0	7,500	7,437	6,517	7,827	3,552
Insur Excess General Liability	0	4,200	0	0	4,200	4,070	3,970	4,175	4,125
Total Insurance	<u>0</u>	<u>20,900</u>	<u>0</u>	<u>0</u>	<u>20,900</u>	<u>20,591</u>	<u>19,571</u>	<u>21,086</u>	<u>16,566</u>
Administrative									
DMAC Operating Expenses	0	0	0	76	76	-		-	158
Administrative	300	300	300	300	1,200	1,363	520	305	708
Depreciation	2,266	2,266	2,266	2,266	9,063	9,060	7,394	1,953	1,582
Miscellaneous	100	0	2,850	100	3,050	3,851	3,625	2,539	2,357
Total Administrative	<u>2,666</u>	<u>2,566</u>	<u>5,416</u>	<u>2,742</u>	<u>13,389</u>	<u>14,274</u>	<u>11,539</u>	<u>4,797</u>	<u>4,805</u>
Total Recurring Expenses	<u>122,691</u>	<u>175,691</u>	<u>121,141</u>	<u>431,317</u>	<u>850,839</u>	<u>549,743</u>	<u>1,054,072</u>	<u>763,066</u>	<u>1,095,145</u>
Net Income	<u>(122,376)</u>	<u>227,866</u>	<u>(120,826)</u>	<u>(101,077)</u>	<u>(116,412)</u>	<u>133,334</u>	<u>(376,091)</u>	<u>(132,772)</u>	<u>(501,581)</u>
Capital Outlays									
New Sheriff Cruiser reserve	3,000	3,000	3,000	3,000	12,000				
Culvert Reserve	0	20,000	0	10,000	30,000				
Reserve for Bridge Replacement	15,000	15,000	15,000	15,000	60,000				
Total Capital Outlays	<u>18,000</u>	<u>38,000</u>	<u>18,000</u>	<u>28,000</u>	<u>102,000</u>				
Ending Cash Position	<u>264,890</u>	<u>495,022</u>	<u>376,462</u>	<u>277,651</u>	<u>277,651</u>				

Diablo Community Services District
7 Year Budget
FY 2019-2025

		Est Actual	Budget						
		2018	2019	2020	2021	2022	2023	2024	2025
Beginning Cash (Less AP)		242,650	385,044	277,690	321,730	287,755	223,192	312,677	388,852
Cash Source									
AD Valorem Tax	3%	437,404	450,526	464,042	477,963	492,302	507,071	522,283	537,952
Special Tax	3%	244,460	282,641	291,120	291,120	291,120	291,120	291,120	291,120
Traffic Fines		1,159	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Other		-	-	-	-	-	-	-	-
Interest		54	55	55	55	55	55	55	55
Total Revenue		683,077	734,422	756,417	770,338	784,677	799,446	814,658	830,327
Cash Use									
Sheriff Security	5%	377,425	394,100	413,805	434,495	456,220	479,031	502,983	528,132
Auto Repairs		-	2,500	3,000	3,500	3,500	500	500	500
Other		-	-	-	-	-	-	-	-
Road Maintenance		9,004	315,000	150,000	265,000	225,000	125,000	125,000	125,000
Bridge Maintenance		-	-	45,000	-	-	-	-	-
Bridge Engineering/Consulting		-	-	-	-	-	-	-	-
Storm Patrol & Emerg Response		1,766	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Failed Culvert		-	-	-	-	-	-	-	-
Gardener		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Trail and Island maint		2,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000
General Manager *		24,750	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Legal Retainer *		18,370	14,400	15,000	15,000	16,000	16,000	18,000	18,000
Records Storage *		1,250	1,500	1,500	1,200	1,200	1,200	1,200	1,200
Audit *		9,250	9,500	9,500	9,750	10,000	10,000	10,500	10,500
Legal Notices *		162	450	750	450	750	450	750	750
Assessors' Roll *		60	50	100	100	100	100	100	100
Other Professional expenses *		69,141	37,850	5,000	5,000	5,000	5,000	5,000	5,000
Insur Director and Officers	5%	9,084	9,200	9,660	10,143	10,650	11,183	11,742	12,329
Insur Commercial and Auto	5%	7,437	7,500	7,875	8,269	8,682	9,116	9,572	10,051
Insur Excess General Liability	5%	4,070	4,200	4,410	4,631	4,862	5,105	5,360	5,628
DMAC Operating Expenses *		-	76	76	76	76	76	76	76
Administrative *		1,363	1,200	1,500	1,500	1,500	1,500	1,500	1,500
Miscellaneous *		3,851	3,050	4,000	4,000	4,500	4,500	5,000	5,000
Total Costs		540,683	841,776	712,376	804,314	789,240	709,961	738,483	764,966
Change in Position		142,394	(107,354)	44,041	(33,975)	(4,563)	89,485	76,175	65,361
New Vehicle		-				60,000			
Ending Cash Position		385,044	277,690	321,730	287,755	223,192	312,677	388,852	454,213