

ROUGH MINUTES...NOT YET APPROVED BY BOARD OF DIRECTORS

**DIABLO COMMUNITY SERVICE DISTRICT
PO BOX 321
DIABLO CA 94528
BOARD OF DIRECTORS
MINUTES
DIABLO COUNTRY CLUB
May 10, 2016, 7:30 p.m.**

CALL TO ORDER: President Ray Brant called the meeting to order at 7:05 p.m.

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

Directors Present: Brant, Torru, Hoffman, Mini, Chow
Directors Absent: None

COMMENTS FROM THE AUDIENCE:

1. Maryann Cella reported on the status of the SummerHill EIR. She reported that the Town of Danville has decertified the EIR as a result of the Lawsuit. Ms. Cella also discussed the application of Measure J funds available for the funding of the bicycle trail. After some discussion, Counsel was requested to determine whether DCSD would qualify to submit its independent application for Measure J funds.

2. Members of the community reported that the property located at 1726 El Nido is not occupied and that it is creating a public nuisance including an unkempt swimming pool and the use of the property by young persons . Counsel was requested to contact the County to see what remedies are available to abate the public nuisance.

There being no further comments, the President closed the Comments from the Public Portion of meeting.

ACTION ITEM: CONSENT CALENDAR.

1. Approve minutes of April Regular meeting. On motion of Director Torru, second by Director Chow, the minutes of the April meeting were approved:

Ayes: Brant, Torru, Hoffman, Mini, Chow
Noes: None
Absentions: None
Absent: None

REPORTS.

DIABLO COUNTRY CLUB: No report

CONTRA COSTA COUNTY: No report

DIABLO PROPERTY OWNERS REPORT: Don Nejedly reported:

1. The Ice Cream Social is scheduled for August 28, 2016 at the Swimming Pool of the Diablo Country Club
2. Alex Mehran III has been voted as the “CITIZEN OF THE YEAR FOR 2016”.

SECURITY: Deputy Sheriff Dan Buergi is recuperating from surgery and will return to duty on May 17, 2016.

ROADS, BRIDGES & CULVERTS: Directors Don Hoffman and Jeff Mini reported:

1. The MCE punch list is substantially complete
2. The trench repair on Calle Arroyo has come to a halt. Director Hoffman will follow through on this.
3. The timing is right to pressure wash the entry bridge. Director Mini will follow through on this.
4. The Board discussed the part that MCE will play as overseer of major construction projects. President appointed a committee composed of Detectors Torru and Hoffman and the General Manager to study and report on this issue.
5. Kay’s Trail is again overrun with growth. Counsel was requested to determine whether a sole proprietor working alone is subject to the prevailing wage rules.
6. Counsel was requested to contact the property owner of the land on which the green retaining wall is located and advise them that the wall is dangerous and could break down which would block access to El Nido.

FINANCIAL Director Torru reported:

1. The April balance is approximately \$750,000.
2. On motion of Director Torru, Second by Director Chow, the tentative budget as attached was approved.

Ayes: Brant, Torru, Hoffman, Mini, Chow

Noes: None

Abstentions: None
Absent: None

3. If we completed the Caballo Ranchero Project this year, we would have only \$50,000 in the bank for a short period of time between the acceptance of the job and the receipt of the semiannual payment from the County.

COMMENTS BY DIRECTORS/PRESIDENT:

1. Director Vince Chow reported that his term of office expires this year and that he would not seek another term. President Brant thanked Director Chow for his many years of dedication to the community of Diablo and to the Diablo Community Service District.

CALL OF NEXT MEETING/ADJOURNMENT: The president called the next meeting for June 14, 2016. There being no further business, the President adjourned the meeting at 8:15 p.m.

Diablo Community Service District
By

Richard J. Breitwieser, Secretary

Diablo Community Service District
Profit and Loss Statement
10 months ended April 30, 2016

	July	August	September	October	November	December	January	February	March	April	YTD	Prior YTD	Budget
<i>Income</i>													
Ad Valorem Taxes	\$0	\$0	\$0	\$0	\$10,662	\$206,578	\$0	\$0	\$0	\$148,650	\$365,890	\$338,155	\$346,750
Road & Security Fees						127,687				92,864	220,551	214,446	220,880
Traffic Fines	117	591	313	750	779	336	18	147	116	78	3,245	2,221	1,918
Interest Income	7	7	7	7	7	7	7	6	7	7	69	129	125
Total Income	124	598	320	757	11,448	334,608	25	153	123	241,599	589,755	554,951	569,673
<i>Expenses</i>													
Sheriff Security	27,750	30,294	29,923	28,575	27,184	33,476	27,676	29,304	30,386	26,523	291,091	272,082	289,170
Auto Repairs		1,956	1,178			84			50		3,268	312	2,500
Cell Phone							200				200	200	400
Other											0	0	2,000
Road Maintenance		246,863		4,000		31,707	(20,730)				261,840	611,923	296,000
Bridge Maintenance				13,790							13,790	61,279	49,000
Bridge/Culvert Engineering			1,150		2,125						3,275	0	10,000
Storm Drain Maintenance						2,320					2,320	0	5,000
Tree, Bush and Weed Trimming											0	0	5,000
Gardener	120	120	120	120	120	120	120	120	120	120	1,200	1,040	1,200
Trail and Creek Maintenance		9,884									9,884	4,500	5,000
Entrance & Island Maint											0	6,000	0
General Manager	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	17,500	17,500	17,500
Legal Retainer	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	18,500	18,500	18,500
Records Storage								1,188			1,188	1,128	1,150
Audit							5,000				5,000	2,500	8,700
Legal Notices and Fees	60										60	1,500	0
Assessors Roll/County Fees						33					33	812	430
Other Professional Fees	1,426					1,179	736	43	43	98	3,525	0	3,100
Insur Director and Officers					9,084						9,084	8,889	9,000
Insur Commercial and Auto				3,552						4,275	7,827	3,552	3,600
Insur Excess General Liability				4,175							4,175	4,125	4,150
DMAC Operating Expenses											0	92	175
Administrative	11	11	9	42	16	16	22	17	26	22	192	375	333
Depreciation Expense	132	132	132	173	173	173	173	173	173	173	1,607	1,316	4,716
Miscellaneous		280					2,259				2,539	2,357	2,950
Total Expenses	33,099	293,140	36,112	58,027	42,302	72,708	19,056	34,445	34,398	34,811	658,098	1,019,982	739,574
Net Income	(32,975)	(292,542)	(35,792)	(57,270)	(30,854)	261,900	(19,031)	(34,292)	(34,275)	206,788	(68,343)	(465,031)	(169,901)

Diablo Community Service District
Balance Sheet
April 30, 2016

	July	August	September	October	November	December	January	February	March	April
ASSETS										
Current Assets										
Wells Fargo Checking Acct	\$531,362	\$457,834	\$458,138	\$400,272	\$362,712	\$393,941	\$334,730	\$295,076	\$261,130	\$455,817
Wells Fargo Money Market 2	268,589	268,596	268,603	268,609	268,616	268,623	268,630	268,636	268,643	268,650
Prepaid Expenses				692	692	1,687	951	908	865	822
Total Current Assets	799,951	726,430	726,741	669,573	632,020	664,251	604,311	564,620	530,638	725,289
Property and Equipment										
Computer Equip	5,917	5,917	5,917	5,917	5,917	5,917	5,917	5,917	5,917	5,917
Automobile	63,610	63,610	63,610	63,610	63,610	63,610	63,610	63,610	63,610	102,563
Other Fixed Assets	0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Accumulated Depreciation	(66,895)	(67,027)	(67,158)	(67,332)	(67,505)	(67,678)	(67,851)	(68,025)	(68,198)	(68,371)
Total Property and Equipment	2,632	2,500	4,869	4,695	4,522	4,349	4,176	4,002	3,829	42,609
Other Assets										
Automobile Sinking Fund	62,833	62,833	62,833	62,833	62,833	62,833	62,833	62,833	62,833	23,833
Bridge Sinking Fund	125,000	130,000	135,000	140,000	145,000	150,000	155,000	160,000	165,000	170,000
Total Other Assets	187,833	192,833	197,833	202,833	207,833	212,833	217,833	222,833	227,833	193,833
Total Assets	990,416	921,763	929,443	877,101	844,375	881,433	826,320	791,455	762,300	961,731
LIABILITIES AND CAPITAL										
Current Liabilities										
Accounts Payable*	55,836	274,725	313,196	313,126	306,253	76,412	35,329	29,757	29,877	56,520
Total Current Liabilities	55,836	274,725	313,196	313,126	306,253	76,412	35,329	29,757	29,877	56,520
Long-Term Liabilities										
Other Liabilities	187,833	192,833	197,833	202,833	207,833	212,833	217,833	222,833	227,833	193,833
Total Long-Term Liabilities	187,833	192,833	197,833	202,833	207,833	212,833	217,833	222,833	227,833	193,833
Total Liabilities	243,669	467,558	511,029	515,959	514,086	289,245	253,162	252,590	257,710	250,353
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	1,239,979
Retained Earnings	(460,256)	(460,256)	(460,256)	(460,256)	(460,256)	(460,256)	(460,256)	(460,256)	(460,256)	(460,256)
Net Income	(32,975)	(325,517)	(361,309)	(418,577)	(449,431)	(187,533)	(206,565)	(240,857)	(275,132)	(68,345)
Total Capital	746,748	454,206	418,414	361,146	330,292	592,190	573,158	538,866	504,591	711,378
Total Liabilities & Capital	990,417	921,764	929,443	877,105	844,378	881,435	826,320	791,456	762,301	961,731

Diablo Community Service District
Cash Flow Statement
10 months ended April 30, 2016

	July	August	September	October	November	December	January	February	March	April	Year to Date
<i>Cash Flows from operating activities</i>											
Net Income	\$ (32,975)	\$ (292,542)	\$ (35,792)	\$ (57,270)	\$ (30,854)	\$ 261,900	\$ (19,031)	\$ (34,292)	\$ (34,275)	\$ 206,788	\$ (68,343)
Adjustments to reconcile net income to net cash provided by operating activities											
Accumulated Depreciation	132	132	132	173	173	173	173	173	173	173	1,608
Accounts Receivable	370										370
Prepaid Expenses				(692)		(995)	736	43	43	43	(822)
Accounts Payable	18,770	218,889	38,471	(70)	(6,873)	(229,841)	(41,083)	(5,572)	120	26,643	19,454
Accrued Expenses	(480)										(480)
Total Adjustments	18,792	219,021	38,602	(589)	(6,700)	(230,662)	(40,174)	(5,356)	337	26,860	20,130
Net Cash provided by Operations	(14,183)	(73,521)	2,810	(57,859)	(37,554)	31,238	(59,205)	(39,648)	(33,938)	233,648	(48,213)
<i>Cash Flows from investing activities</i>											
Used For											
Other Fixed Assets			(2,500)								(2,500)
Automobile Sinking Fund										(38,953)	(38,953)
Bridge Sinking Fund	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(50,000)
Net cash used in investing	(5,000)	(5,000)	(7,500)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(43,953)	(91,453)
<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	5,000	5,000	50,000
Used For											
Net cash used in financing	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
Net increase <decrease> in cash	(14,183)	(73,521)	310	(57,859)	(37,554)	31,238	(59,205)	(39,648)	(33,938)	194,694	(89,666)
<i>Summary</i>											
Cash Balance at End of Period	799,951	726,430	726,741	668,881	631,328	662,564	603,360	563,712	529,773	724,467	724,467
Cash Balance at Beg of Period	(814,134)	(799,951)	(726,430)	(726,741)	(668,881)	(631,328)	(662,564)	(603,360)	(563,712)	(529,773)	(814,134)
Net Increase <Decrease> in Cash	\$ (14,183)	\$ (73,521)	\$ 311	\$ (57,860)	\$ (37,553)	\$ 31,236	\$ (59,204)	\$ (39,648)	\$ (33,939)	\$ 194,694	\$ (89,667)

DCSD
2016-17 Budget

	Annual Amount	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Beginning Cash	\$607,532	607,532	552,922	517,909	483,146	63,336	15,273	298,960	258,347	219,584	184,738	391,765	357,002
Revenue													
Ad Valorem Taxes	\$402,603						221,432				161,041		20,130
Road and Security Fees	\$239,123						131,518				95,649		11,956
Traffic Fines	\$3,500	292	292	292	292	292	292	292	292	292	292	292	292
Interest Income	\$84	7	7	7	7	7	7	7	7	7	7	7	7
Total	<u>\$645,310</u>	<u>299</u>	<u>299</u>	<u>299</u>	<u>299</u>	<u>299</u>	<u>353,248</u>	<u>299</u>	<u>299</u>	<u>299</u>	<u>256,989</u>	<u>299</u>	<u>32,385</u>
Expenses-Recurring													
Security													
Security Sherriff	\$374,500	31,208	31,208	31,208	31,208	31,208	31,208	31,208	31,208	31,208	31,208	31,208	31,208
Auto Repairs	\$250		250										
Cell Phone	\$400		100			100			100			100	
Other	\$2,000				-		2,000		-				
Total Security	<u>\$377,150</u>	<u>31,208</u>	<u>31,558</u>	<u>31,208</u>	<u>31,208</u>	<u>31,308</u>	<u>33,208</u>	<u>31,208</u>	<u>31,308</u>	<u>31,208</u>	<u>31,208</u>	<u>31,308</u>	<u>31,208</u>
Road Maintenance													
Road Maintenance	\$411,000				385,000		16,000				10,000		
Storm Drain Maintenance	\$5,000					3,000		2,000					
Tree, Bush & Weed Trim	\$5,000					2,500					2,500		
Gardener	\$1,440	120	120	120	120	120	120	120	120	120	120	120	120
Trail and Creek maint	\$5,000						2,500				2,500		
Entrance & Island Maint	\$0												
Total Road Maintenance	<u>\$427,440</u>	<u>120</u>	<u>120</u>	<u>120</u>	<u>385,120</u>	<u>5,620</u>	<u>18,620</u>	<u>2,120</u>	<u>120</u>	<u>120</u>	<u>15,120</u>	<u>120</u>	<u>120</u>
Professional													
General Manager	\$21,000	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Legal Retainer	\$22,200	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Records Storage	\$1,200							1,200					
Audit	\$9,000						5,000		4,000				
Legal Notices	\$350												350
Assessors Role/County Fees	\$100				55								45
Other Professional Fees	\$5,000	1,300											700
Total Professional	<u>\$58,850</u>	<u>4,900</u>	<u>3,600</u>	<u>3,600</u>	<u>3,655</u>	<u>3,600</u>	<u>8,600</u>	<u>4,800</u>	<u>7,600</u>	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>	<u>4,695</u>
Insurance													
Insur Director and Officers	\$9,100						9,100						
Insur Commercial and Auto	\$3,600					3,600							
Insur Excess General Liability	\$4,200					4,200							
Total Insurance	<u>\$16,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,800</u>	<u>9,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administrative													
DMAC Operating Expenses	\$175				92					83			
Administrative	\$400	33	33	33	33	33	33	33	33	33	33	33	33
Depreciation	\$12,139	132	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Miscellaneous	\$3,050			100				2,750		100			100
Total Administrative	<u>\$15,764</u>	<u>165</u>	<u>1,125</u>	<u>1,225</u>	<u>1,217</u>	<u>1,125</u>	<u>1,125</u>	<u>3,875</u>	<u>1,125</u>	<u>1,308</u>	<u>1,125</u>	<u>1,125</u>	<u>1,225</u>
Total Expenses	\$896,104	36,393	36,403	36,153	421,200	49,453	70,653	42,003	40,153	36,236	51,053	36,153	37,248
Net Income	-\$250,794	-\$36,095	-\$36,105	-\$35,855	-\$420,902	-\$49,155	\$282,595	-\$41,705	-\$39,855	-\$35,938	\$205,936	-\$35,855	-\$4,863

DCSD
2016-17 Budget

	Annual Amount	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Capital Outlays													
New Sheriff Vehicle	18,647	18,647											
Bridge Replacement Reserve	60,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Capital Outlays	<u>\$78,647</u>	<u>23,647</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Total Recurring Expenses and Capital Outlays	<u>\$974,751</u>	<u>60,040</u>	<u>41,403</u>	<u>41,153</u>	<u>426,200</u>	<u>54,453</u>	<u>75,653</u>	<u>47,003</u>	<u>45,153</u>	<u>41,236</u>	<u>56,053</u>	<u>41,153</u>	<u>42,248</u>
Add Back Deprec	\$12,139	132	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Add Back Bridge Reserve	\$60,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Ending Cash	\$350,230	552,922	517,909	483,146	63,336	15,273	298,960	258,347	219,584	184,738	391,765	357,002	353,230