

**DIABLO COMMUNITY SERVICE DISTRICT  
BOARD OF DIRECTORS  
MEETING  
DIABLO ROOM, DIABLO COUNTRY CLUB  
January 10, 2017 7:30 p.m. (Immediately following DMAC meeting)**

**CALL TO ORDER:** Chairperson Kathy Torru called the meeting to order at 7:40 p.m., immediately following the DMAC meeting.

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

**Directors Present:** Torru, Hoffman, Mini, Urbelis  
**Directors Absent:** Brant

1. **COMMENTS FROM THE AUDIENCE:** There were no comments from the audience.
2. **WELCOME AND INTRODUCTION:** Chair Person Kathy Torru welcomed Kathy Urbelis as the new Director.
3. **ACTION ITEM:** **Approve minutes of November meeting.** On motion of Director Mini, second by Director Hoffman, the minutes of the November meeting were approved as follows:

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

4. **Action Item:** **Election of Officers.** On motion of Director Hoffman, second by Director Mini, the officers for the year 2017 were elected as follows:

President: Ray Brant  
Vice President: Kathy Urbelis

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

5. **REPORTS.**

**DIABLO COUNTRY CLUB:** No report

**CONTRA COSTA COUNTY:** No report

**DIABLO PROPERTY OWNERS REPORT:**

Don Nejedly reported that:

1. The Diablo Historic Committee held a meeting of about 30 residents. John Kopchik of Contra Costa County spoke regarding the 2002 designation of Diablo as a Historic District and its inclusion on the County's Historic Resource Inventory (HRI). HRI helps ensure that historical resources are considered when processing a discretionary permit application. Currently, there is only one Diablo home included on the HRI. The County is required to consider potential impacts to historic resources (homes 50 years or older) whether or not they are included on the HRI whenever a discretionary permit is being reviewed.
2. DPOA is collecting dues of \$100 from all residents. Residents are requested to pay these dues voluntarily in order to avoid sending individual bills by DPOA

**SECURITY:** No report

**ROADS:** Directors Don Hoffman and Jeff Mini reported:

1. The recent repairs on Caballo Ranchero by Contra Costa County are failing because the contractor packed the road with chips before crack sealing. As a result, many of the cracks were not visible during the crack sealing operation resulting in these cracks not being sealed prior to the overlay.
2. Director Mini inspected the culvert at the trash rack on Calle Arroyo and the culvert at Kay's Trail on Alameda Diablo are both flowing satisfactorily.

**FINANCIAL:** Director Torru reported:

1. DCSD has received the first installment from the county leaving a balance of about \$400,000. However, we owe the County for security for the months of October, November, and December which will deplete the reserves by about \$85,000.
2. DCSD is on budget as of the close of 2016.

**COMMENTS BY DIRECTORS/PRESIDENT:** None

**CALL OF NEXT MEETING:** Chairperson Torru called the next meeting for February 15, 2017 in the Curtola Room of the Diablo Country Club.

**ADJOURNMENT:** There being no further business, Chairperson Torru adjourned the meeting at 7:55 p.m.

Richard J. Breitwieser, Secretary

Diablo Community Service District  
Profit and Loss Statement  
6 months ended December 31, 2016

|                                | July            | August          | September       | October          | November        | December       | YTD              | Prior YTD        | Budget           |
|--------------------------------|-----------------|-----------------|-----------------|------------------|-----------------|----------------|------------------|------------------|------------------|
| <i>Income</i>                  |                 |                 |                 |                  |                 |                |                  |                  |                  |
| Ad Valorem Taxes               | \$0             | \$0             | \$0             | \$0              | \$10,875        | \$221,816      | \$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            | 2,390            | 2,886            | 1,752            |
| Other Income                   |                 |                 |                 |                  |                 | 9,000          | 9,000            | 0                | 0                |
| Interest Income                | 7               | 7               | 7               | 7                | 4               | 4              | 36               | 41               | 42               |
| <b>Total Income</b>            | <b>70</b>       | <b>283</b>      | <b>413</b>      | <b>826</b>       | <b>11,894</b>   | <b>363,414</b> | <b>376,900</b>   | <b>347,854</b>   | <b>354,744</b>   |
| <i>Expenses</i>                |                 |                 |                 |                  |                 |                |                  |                  |                  |
| Sheriff Security               | 28,917          | 32,821          | 35,845          | 31,208           | 32,334          | 31,208         | 192,334          | 177,201          | 187,248          |
| Auto Repairs                   |                 |                 |                 |                  |                 |                | 0                | 3,218            | 250              |
| Cell Phone                     |                 |                 | 219             |                  |                 |                | 219              | 0                | 200              |
| Other                          |                 |                 |                 |                  | 350             |                | 350              | 0                | 2,000            |
| Road Maintenance               |                 |                 |                 | 393,658          |                 | 5,460          | 399,118          | 282,570          | 391,000          |
| Bridge Maintenance             |                 |                 |                 |                  |                 |                | 0                | 13,790           | 0                |
| Bridge/Culvert Engineering     |                 |                 |                 |                  |                 |                | 0                | 3,275            | 0                |
| Storm Drain Maintenance        |                 |                 |                 |                  |                 |                | 0                | 2,320            | 3,000            |
| Tree, Bush and Weed Trimming   |                 |                 |                 |                  |                 |                | 0                | 0                | 2,500            |
| Gardener                       | 120             | 120             | 120             | 120              | 120             | 120            | 720              | 720              | 720              |
| Trail and Creek Maintenance    |                 |                 |                 |                  |                 |                | 0                | 9,884            | 2,500            |
| Entrance & Island Maint        |                 |                 |                 |                  |                 |                | 0                | 0                | 0                |
| General Manager                | 1,750           | 1,750           | 1,750           | 1,750            | 1,750           | 1,750          | 10,500           | 10,500           | 10,500           |
| Legal Retainer                 | 1,850           | 1,850           | 1,850           | 1,850            | 1,850           | 1,850          | 11,100           | 11,100           | 11,100           |
| Records Storage                |                 |                 |                 |                  |                 |                | 0                | 0                | 0                |
| Audit                          |                 |                 |                 |                  |                 | 9,000          | 9,000            | 0                | 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             | 2,944            | 2,606            | 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             | 268              | 104              | 198              |
| Depreciation Expense           | 173             | 173             | 173             | 173              | 887             | 887            | 2,467            | 915              | 5,838            |
| Miscellaneous                  | 274             | 301             |                 |                  | 298             |                | 873              | 280              | 100              |
| <b>Total Expenses</b>          | <b>33,217</b>   | <b>37,386</b>   | <b>40,105</b>   | <b>436,346</b>   | <b>40,045</b>   | <b>59,427</b>  | <b>646,526</b>   | <b>535,387</b>   | <b>647,501</b>   |
| <b>Net Income</b>              | <b>(33,147)</b> | <b>(37,103)</b> | <b>(39,692)</b> | <b>(435,520)</b> | <b>(28,151)</b> | <b>303,987</b> | <b>(269,626)</b> | <b>(187,533)</b> | <b>(292,757)</b> |

Diablo Community Service District

Balance Sheet

December 31, 2016

|  | July           | August         | September      | October        | November       | December       |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>ASSETS</b>                          |                |                |                |                |                |                |
| <b>Current Assets</b>                  |                |                |                |                |                |                |
| Wells Fargo Checking Acct              | \$365,276      | \$296,663      | \$293,146      | \$239,366      | \$23,920       | \$105,493      |
| Wells Fargo Money Market 2             | 268,670        | 268,677        | 268,683        | 268,690        | 68,695         | 318,699        |
| Accounts Receivable                    |                |                |                |                |                | 9,000          |
| Prepaid Expenses                       | 692            | 649            | 605            | 563            | 519            | 476            |
| <b>Total Current Assets</b>            | <u>634,638</u> | <u>565,989</u> | <u>562,434</u> | <u>508,619</u> | <u>93,134</u>  | <u>433,668</u> |
| <b>Property and Equipment</b>          |                |                |                |                |                |                |
| Computer Equip                         | 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         |
| Other Fixed Assets                     | 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)        |
| <b>Total Property and Equipment</b>    | <u>42,089</u>  | <u>41,916</u>  | <u>41,742</u>  | <u>41,569</u>  | <u>44,546</u>  | <u>43,660</u>  |
| <b>Other Assets</b>                    |                |                |                |                |                |                |
| Automobile Sinking Fund                | 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        |
| <b>Total Other Assets</b>              | <u>208,833</u> | <u>213,833</u> | <u>218,833</u> | <u>223,833</u> | <u>228,833</u> | <u>233,833</u> |
| <b>Total Assets</b>                    | <b>885,560</b> | <b>821,738</b> | <b>823,009</b> | <b>774,021</b> | <b>366,513</b> | <b>711,161</b> |
| <b>LIABILITIES AND CAPITAL</b>         |                |                |                |                |                |                |
| <b>Current Liabilities</b>             |                |                |                |                |                |                |
| Accounts Payable*                      | 62,927         | 31,208         | 67,173         | 448,704        | 64,347         | 100,007        |
| <b>Total Current Liabilities</b>       | <u>62,927</u>  | <u>31,208</u>  | <u>67,173</u>  | <u>448,704</u> | <u>64,347</u>  | <u>100,007</u> |
| <b>Long-Term Liabilities</b>           |                |                |                |                |                |                |
| Other Liabilities                      | 208,833        | 213,833        | 218,833        | 223,833        | 228,833        | 233,833        |
| <b>Total Long-Term Liabilities</b>     | <u>208,833</u> | <u>213,833</u> | <u>218,833</u> | <u>223,833</u> | <u>228,833</u> | <u>233,833</u> |
| <b>Total Liabilities</b>               | <b>271,760</b> | <b>245,041</b> | <b>286,006</b> | <b>672,537</b> | <b>293,180</b> | <b>333,840</b> |
| <b>Capital</b>                         |                |                |                |                |                |                |
| Opening Balance Equity                 | 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)      |
| Net Income                             | (33,147)       | (70,253)       | (109,945)      | (545,464)      | (573,614)      | (269,628)      |
| <b>Total Capital</b>                   | <u>613,801</u> | <u>576,695</u> | <u>537,003</u> | <u>101,484</u> | <u>73,334</u>  | <u>377,320</u> |
| <b>Total Liabilities &amp; Capital</b> | <b>885,561</b> | <b>821,736</b> | <b>823,009</b> | <b>774,021</b> | <b>366,514</b> | <b>711,160</b> |

Diablo Community Service District  
Cash Flow Statement  
6 months ended December 31, 2016

|  | July        | August      | September   | October      | November     | December   | Year to Date |
|--|-------------|-------------|-------------|--------------|--------------|------------|--------------|
| <i>Cash Flows from operating activities</i>                                      |             |             |             |              |              |            |              |
| Net Income   | \$ (33,147) | \$ (37,103) | \$ (39,692) | \$ (435,520) | \$ (28,151)  | \$ 303,987 | \$ (269,626) |
| Adjustments to reconcile net income to net cash provided by operating activities |             |             |             |              |              |            |              |
| Accumulated Depreciation   | 173         | 173         | 173         | 173          | 887          | 887        | 2,467        |
| Accounts Receivable  |             |             |             |              |              |            | 0            |
| Prepaid Expenses   | 43          | 43          | 43          | 43           | 43           | 43         | 260          |
| Accounts Payable   | 26,787      | (31,719)    | 35,965      | 381,531      | (384,357)    | 35,660     | 63,867       |
| Accrued Expenses   |             |             |             |              |              |            | 0            |
| Total Adjustments  | 27,004      | (31,502)    | 36,182      | 381,747      | (383,426)    | 36,590     | 66,594       |
| Net Cash provided by Operations  | (6,143)     | (68,605)    | (3,510)     | (53,773)     | (411,577)    | 340,577    | (203,033)    |
| <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)    | (30,000)     |
| Net cash used in investing   | (5,000)     | (5,000)     | (5,000)     | (5,000)      | (8,864)      | (5,000)    | (33,864)     |
| <i>Cash Flows from financing activities</i>                                      |             |             |             |              |              |            |              |
| Proceeds From  |             |             |             |              |              |            |              |
| Other Liabilities  | 5,000       | 5,000       | 5,000       | 5,000        | 5,000        | 5,000      | 30,000       |
| Used For   |             |             |             |              |              |            |              |
| Net cash used in financing   | 5,000       | 5,000       | 5,000       | 5,000        | 5,000        | 5,000      | 30,000       |
| Net increase <decrease> in cash  | (6,143)     | (68,605)    | (3,510)     | (53,773)     | (415,441)    | 340,577    | (206,896)    |
| <i>Summary</i>   |             |             |             |              |              |            |              |
| Cash Balance at End of Period  | 633,946     | 565,340     | 561,829     | 508,056      | 92,615       | 433,192    | 433,192      |
| Cash Balance at Beg of Period  | (640,090)   | (633,946)   | (565,340)   | (561,829)    | (508,056)    | (92,615)   | (640,090)    |
| Net Increase <Decrease> in Cash  | \$ (6,144)  | \$ (68,606) | \$ (3,511)  | \$ (53,773)  | \$ (415,441) | \$ 340,577 | \$ (206,898) |