

**DIABLO COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS MEETING  
MINUTES  
BALLROOM, DIABLO COUNTRY CLUB  
June 12, 2018 7:30 p.m.**

**CALL TO ORDER:** President Ray Brant called the meeting to order at 7:30 p.m.

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

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

**Directors absent: Urbelis**

**BOARD COMMUNICATION:** Director Watson made the following presentation concerning the Ordinance Code.

The DCSD Ordinance Code was adopted as a single ordinance in 1993 and has historically set forth basic rules pertaining to DCSD authority and operations, roads and their maintenance, public safety, and other topics. Chapter 6 of the 1993 code was amended in 2002.

The Measure B funding initiative required Chapter 3 of the 1993 Ordinance Code to be replaced. It was decided at that time to update the 25-year-old Ordinance. The process of reviewing changes to the Ordinance Code began the summer of 2017 (6 months before the Tiernan lawsuit was filed) with a first reading conducted at the November 14, 2017 regular board meeting in conjunction with a town hall meeting regarding the proposed Measure B funding initiative.

No public comment was received at the November 14, 2017 meeting. The Board did not hold a second reading and did not adopt that version of the proposed code. The decision to delay the second reading was made to allow newly hired general counsel time to review the document.

At the May 8, 2018 board meeting, the Board proposed a revised version of the code for first reading. This version differed based upon review by counsel and suggested changes from individual board members. At this meeting, members of the community expressed a desire to postpone the first reading so that the public could have more time to review and comment. The board voted to (i) continue (aka postpone) the first reading, (ii) hold a "town hall" style workshop meeting, (iii) direct staff to prepare a detailed report describing the proposed changes to the code, and (iv) direct staff to provide mailed notice to Diablo residents in excess of notice legally required for any such special meeting.

The next step in the review process will continue with all residents having the opportunity to provide input at a town hall meeting that is currently scheduled for July 24<sup>th</sup>. I encourage you to read the proposed code and prepare your questions and suggestions and I would ask for written questions and suggestions be sent ahead of time to our General Manager, Dick Breitwieser at [dbreitwieser@diablocsd.org](mailto:dbreitwieser@diablocsd.org).

A final note: This draft of the proposed ordinance code is just that, a draft. It is not and was never intended to be anything other than the start of the open process that is underway. Democracy is not a spectator sport. I'm glad to see those here tonight who have something to say about updating our ordinances after 25 years. I encourage you to engage in making constructive comments and suggestions that will contribute to a strong and effective code to guide enforcement into the future.

**PUBLIC COMMENTS:** A large number of residents spoke about the repeal and replacement of the 1993 Ordinance Code. Residents expressed concerns with the extent of the changes made to the 1993

Ordinance Code and requested that the Board provide a detailed analysis of the changes made and why. Residents requested that the proposed 2018 Ordinance Code be amended to (i) state the roads within Diablo are private in nature, (ii) state the white front "Private Road" entrance signs cannot be removed, and (iii) state Calle Los Callados road cannot be connected with Mt Diablo Scenic to allow vehicular traffic. Residents expressed concern with the suggested adoption of the California Vehicle Code and the impact it might have on the speed limit within Diablo. Residents also requested that the Board improve its communication and transparency with residents as the process to repeal and replace the Ordinance Code proceeds. Residents thanked the Directors for their hours of volunteerism and the effort put into the Ordinance Code project.

Kay Batts requested that the Board research ownership of the underlying property of Kays trail, the width of Kay's trail, and the District's maintenance obligation of Kay's trail (based on an 8/11/99 LAFCO meeting) and publish the results of the research in the Devil's Advocate.

**RESIDENT COMMUNICATION:** Robert Hagerty thanked the Directors for their service and stated that he is against any action that removes the status in fact or in perception that Diablo is a private community. He believes that the history, signage, public impression and perception is that Diablo is a private, quaint, unique and self-governed entity which enhances the pride of the community and the property values.

Mr. Hagerty expressed dissatisfaction with the ordinance code chapter 6 "Request to reclassify a non-maintained street," and asked that all streets within Diablo be maintained by the District, or the taxes for those residents on non-maintained streets be reduced.

Finally, Mr. Hagerty requested that the Board make a greater effort to inform residents of elections of DCSD Directors.

**ACTION ITEMS:**

On motion by Director Torru, second by Director Watson, the minutes of the May 8, 2018 Regular Meeting were unanimously approved.

On motion by Director Langon, second by Director Watson, the minutes of the May 11, 2018 Special Meeting were unanimously approved.

On motion by Director Brant, second by Director Torru, and unanimously approved by the Board the President established two temporary advisory committees comprising two Board members each in order to research the below issues and report back to the Board. Each committee will dissolve upon finishing its purpose and reporting back to the Board:

- a. Development of a Diablo Rd Emergency plan with the County, Sheriff, and Town of Danville.
- b. Form a plan for publicizing new bike lanes from Blackhawk Plaza to Mt Diablo Scenic Blvd.

Directors Urbelis and Watson were asked to lead the Diablo road advisory committee and Directors Torru and Langon were asked to lead the cyclist advisory committee.

On motion by Director Langon, second by Director Watson, the Board unanimously authorized the production and mailing of the Vegetation Notice.

On motion by Director Torru, second by Director Langon the Board unanimously adopted Resolution 2018-03, Ordering Specifications of the Election Order (Exhibit a).

## **REPORTS:**

### **CONTRA COSTA COUNTY:**

No report.

Alicia Nuchols reported:

### **DIABLO COUNTRY CLUB:**

No report.

Hank Salvo reported:

### **DIABLO PROPERTY OWNERS REPORT:**

The Historical Preservation Committee 2018 Diablo Historic Home Tour on May 19<sup>th</sup> is sold out with over 60 people attending.

Don Nejedly reported:

The DPOA is looking for volunteers to help Jeff Mini put together Flag Kits to be distributed to participating residents for the Memorial Day Holiday

### **ROADS:**

Jim Stein, CCC Surveyor, has been very helpful in researching the history of Mt Diablo Scenic Blvd. Documents dating back to the early 1900s have been discovered. Once the work is complete Director Langon and Director Urbelis will report back to the Board.

Director Langon reported:

MCE washed all 3 bridges and removed graffiti from the Don Hoffman bridge. The Jim Stone bridge will be painted at a later date and no ears will be added to the sides at this time.

Kay's trail was cleared of weeds by MCE and now has a clean 3 foot wide walking area from top to bottom. The Board will inspect the trail quarterly.

Contact has been made with the director of the Mt Diablo Challenge Bike Race to ensure that the event does not impact the roads within Diablo. The race date this year is October 7<sup>th</sup>. Director Langon asked that the Bike Race consider moving the staging for the race from Monte Vista to the Blackhawk plaza and/or Safeway plaza to alleviate traffic congestion on Diablo Rd. The change will be considered for the 2019 race.

The County has finished their bike striping on Blackhawk Rd from Mt Diablo Scenic Blvd to Blackhawk Plaza and has added Keep Clear striping on Diablo Rd at the intersection of Avenida Nueva.

The Bella Vista water problem appears to be solved. A landscaping leak was the source of the water runoff onto the road and the leak has been found and fixed.

A resident reported a tree leaning/falling on Diablo Rd from a property within Diablo. Director Langon located the tree, contacted the vacationing homeowner and then contacted SRV Fire and PG&E and the tree was removed the same day.

Directors Brant and Langon met with the Diablo Country Club GM to discuss a new DCC parking plan for large events that will mitigate the impact on the community. The new plan calls for 1 valet company to be used for all events, no parking on narrow streets and parking on only one side of the street where the streets are wide. There will be no parking on El Nido between Alameda Diablo and the post office.

The DCSD will post on Nextdoor home swim meet alerts a few days before each event.

### **SECURITY:**

May Security Report. No crimes to report other than a telephone scam. The weekend traffic enforcement program is underway and unlicensed drivers driving golf carts are being stopped and parents notified. All golf cart drivers must possess a valid driver's license.

Deputy Sheriff Dan Buergi presented:

**FINANCIAL:**

Director Torru presented:

May Financial Report. The District has approx. \$390k in cash at the end of May. Revenue and expenses are in line with budget with the exception of legal expenses which are significantly higher due to the lawsuit.

The District has spent approx. \$90,000 on legal fees defending itself in Tiernan et al vs DCSD et al lawsuit. The District's legal costs for this lawsuit are expected to exceed \$200k by the end of the summer.

**COMMENTS BY DIRECTORS:** None

**CALL OF NEXT MEETING/ADJOURNMENT:**

The President called the next meeting for August 14, 2018. There being no further business, the President adjourned the meeting at 9:02 pm.

Diablo Community Services District by  
Kathy Torru, Secretary

**BEFORE THE BOARD OF DIRECTORS OF THE  
DIABLO COMMUNITY SERVICES DISTRICT  
CONTRA COSTA COUNTY, STATE OF CALIFORNIA**

**Resolution 2018-3**

**RESOLUTION SPECIFICATIONS  
OF THE ELECTION ORDER**

*WHEREAS*, California Elections Code Requires a general district election be held in each district to choose a successor for each elective officer whose term will expire on the first Friday in December following the election to be held on the first Tuesday after the first Monday in November in each even numbered year; and

*WHEREAS*, other Elections may be held in whole or in part of the territory of the district and it is to the advantage of the district to consolidate pursuant to Elections Code Section 10400, and

*WHEREAS*, Elections Code Section 10520 requires each district involved in a general election to reimburse the county for the actual costs incurred by the county elections official in conducting the election for that district; and

*WHEREAS*, Elections Code Section 13307 requires that before the nominating period opens the district board must determine whether a charge shall be levied against each candidate submitting a candidate's statement to be sent to the voters; may establish the cost; and determine whether the costs be paid in advance; and

*WHEREAS*, Elections Code Section 12112 requires the election official of the principal county to publish a notice of the election once in a newspaper of general circulation in the district;

*NOW THEREFORE IT IS ORDERED* that an election be held within the territory included in this district on the **6<sup>th</sup> day of November, 2018**, for the purpose of electing members to the board of directors of said district in accordance with the following specifications:

**SPECIFICATIONS OF THE ELECTION ORDER**

1. The Election shall be held Tuesday, **the 6<sup>th</sup> day of November 2018**. The purpose of the election is to choose members of the board of directors for the following seats:

Director Torru	Full term
Director Langon	Full term
Director Watson	Full term

2. The district has determined that the Candidate will pay for the Candidate's Statement. As a condition of having the Candidates' Statement published, the candidate shall pay the estimate cost of filing. The District accepts the Elections District estimate of cost.
3. The district directs that the County Registrar Voters of the principal county publish the Notice of Election in a newspaper of general circulation that is regularly circulated in the territory.
4. The Board hereby requests and consents to the consolidation of this election with other elections which may be held in whole or in part of the territory of the district, pursuant to Elections Code 10400.
5. The district will reimburse the county for the actual cost incurred by the county elections official in conducting the general district election upon receipt of a bill stating the amount due as determined by the elections official.
6. The Clerk of this Board is ordered to deliver copies of this Resolution, to the Registrar of Voters , and if applicable to the Registrar of Voters of any other county in which the election is to be held and to the Board of Supervisors

THE FOREGOING RESOLUTION WAS ADOPTED upon motion of Director Torru seconded by Director Langon at a regular meeting of the Board of Directors of the Diablo Community Services on the 12<sup>th</sup> day of June, 2018 by the following vote:

Ayes: Brant, Torru, Langon, Watson

Noes:

Absent: Urbelis

Abstain:

---

Diablo Community Services District  
Kathy Torru, Secretary

Diablo Community Services District  
Profit and Loss Statement  
11 months ended May 31, 2018

	July	August	September	October	November	December	January	February	March	April	May	YTD	Budget	Prior YTD
<i>Income</i>														
Ad Valorem Taxes	\$0	\$0	\$0	\$0	\$11,082	\$222,237	\$0	\$45,892	\$0	\$134,477		\$413,688	\$404,332	\$392,936
Road & Security Fees						134,453		19,557		78,227		232,237	234,429	227,600
Traffic Fines	177			110		151	36	-	560	236	354	1,624	3,212	4,425
Other Income												-	0	9,579
Interest Income	5	3	3	3	2	2	6	6	6	6	6	48	66	64
<b>Total Income</b>	<b>182</b>	<b>3</b>	<b>3</b>	<b>113</b>	<b>11,084</b>	<b>356,843</b>	<b>42</b>	<b>65,455</b>	<b>566</b>	<b>212,946</b>	<b>360</b>	<b>647,597</b>	<b>642,039</b>	<b>634,604</b>
<i>Expenses</i>														
Sheriff Security	30,000	37,132	30,088	33,817	32,785	27,934	29,012	32,321	31,336	29,873	31,000	345,298	334,631	333,600
Auto Repairs												-	500	0
Cell Phone												-	0	219
Other												-	0	350
Road Maintenance						8,200	804					9,004	25,000	399,876
Bridge maintenance										1,980		1,980	0	0
Storm Patrol & Emerg Resp									1,766			1,766	5,000	3,370
Repair of Failed Culvert												-	0	185,076
Gardener	100	100	100	100	100	100	100	100	100	100	100	1,100	1,100	1,400
Trail and Island Maintenance													2,500	1,700
General Manager	1,750	1,750	1,750	1,750	1,750	1,750	1,750	2,500	2,500	2,500	2,500	22,250	19,250	19,250
Legal	1,850	2,015	2,525	2,750	5,834	2,090	1,925	11,475	20,145	21,969	40,307	112,885	20,350	20,350
Audit			3,500			5,750						9,250	9,250	9,000
Other Professional	43	398	43	43	1,816	217	55	55	55	9,170	55	11,950	28,672	6,475
Legal Notices												-	0	432
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				0	4,070							4,070	4,000	3,970
Administrative	17	13	2	42	15	279	647	4	208	10	4	1,241	275	359
Depreciation Expense	755	755	755	755	755	755	755	755	755	755	755	8,305	8,305	6,638
Miscellaneous			409			462	2,980					3,851	2,950	3,626
<b>Total Expenses</b>	<b>34,515</b>	<b>42,163</b>	<b>39,172</b>	<b>42,685</b>	<b>47,125</b>	<b>60,630</b>	<b>38,028</b>	<b>47,210</b>	<b>56,865</b>	<b>66,357</b>	<b>74,721</b>	<b>549,471</b>	<b>477,983</b>	<b>#####</b>
<b>Net Income</b>	<b>(34,333)</b>	<b>(42,160)</b>	<b>(39,169)</b>	<b>(42,572)</b>	<b>(36,041)</b>	<b>296,213</b>	<b>(37,986)</b>	<b>18,245</b>	<b>(56,299)</b>	<b>146,589</b>	<b>#####</b>	<b>98,126</b>	<b>164,056</b>	<b>(376,688)</b>

Diablo Community Services District  
Balance Sheet  
May 31, 2018

	July	August	September	October	November	December	January	February	March	April	May
<b>ASSETS</b>											
<b>Current Assets</b>											
Wells Fargo Checking Acct	\$100,534	\$58,971	\$54,960	\$5,223	\$23,378	\$160,233	\$69,516	\$134,960	\$33,269	\$182,442	\$138,006
Wells Fargo Money Market 2	128,737	128,740	128,744	100,747	50,748	250,750	250,757	250,763	250,769	250,775	250,782
Accounts Receivable	2,200	2,200	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	11,523	11,468
<b>Total Current Assets</b>	<b>231,644</b>	<b>190,041</b>	<b>185,990</b>	<b>110,010</b>	<b>78,123</b>	<b>414,925</b>	<b>334,160</b>	<b>399,555</b>	<b>297,816</b>	<b>446,940</b>	<b>402,456</b>
<b>Property and Equipment</b>											
Computer Equip	5,917	5,917	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	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	2,500	2,500
Accumulated Depreciation	(13,256)	(14,011)	(14,767)	(15,522)	(16,277)	(17,032)	(17,788)	(18,543)	(19,298)	(20,054)	(20,809)
<b>Total Property and Equipment</b>	<b>37,978</b>	<b>37,223</b>	<b>36,467</b>	<b>35,712</b>	<b>34,957</b>	<b>34,202</b>	<b>33,446</b>	<b>32,691</b>	<b>31,936</b>	<b>31,180</b>	<b>30,425</b>
<b>Other Assets</b>											
Automobile Sinking Fund	24,833	25,833	26,833	27,833	28,833	29,833	30,833	31,833	32,833	33,833	34,833
Bridge Sinking Fund	245,000	250,000	255,000	260,000	265,000	270,000	275,000	280,000	285,000	290,000	295,000
<b>Total Other Assets</b>	<b>269,833</b>	<b>275,833</b>	<b>281,833</b>	<b>287,833</b>	<b>293,833</b>	<b>299,833</b>	<b>305,833</b>	<b>311,833</b>	<b>317,833</b>	<b>323,833</b>	<b>329,833</b>
<b>Total Assets</b>	<b>539,455</b>	<b>503,097</b>	<b>504,290</b>	<b>433,555</b>	<b>406,913</b>	<b>748,960</b>	<b>673,439</b>	<b>744,079</b>	<b>647,585</b>	<b>801,953</b>	<b>762,714</b>
<b>LIABILITIES AND CAPITAL</b>											
<b>Current Liabilities</b>											
Accounts Payable	30,100	29,900	64,263	30,100	33,500	73,334	29,800	76,196	30,000	31,780	60,900
Accrued Expenses	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
<b>Total Current Liabilities</b>	<b>33,100</b>	<b>32,900</b>	<b>67,263</b>	<b>33,100</b>	<b>36,500</b>	<b>76,334</b>	<b>32,800</b>	<b>79,196</b>	<b>33,000</b>	<b>34,780</b>	<b>63,900</b>
<b>Long-Term Liabilities</b>											
Other Liabilities	269,833	275,833	281,833	287,833	293,833	299,833	305,833	311,833	317,833	323,833	329,833
<b>Total Long-Term Liabilities</b>	<b>269,833</b>	<b>275,833</b>	<b>281,833</b>	<b>287,833</b>	<b>293,833</b>	<b>299,833</b>	<b>305,833</b>	<b>311,833</b>	<b>317,833</b>	<b>323,833</b>	<b>329,833</b>
<b>Total Liabilities</b>	<b>302,933</b>	<b>308,733</b>	<b>349,096</b>	<b>320,933</b>	<b>330,333</b>	<b>376,167</b>	<b>338,633</b>	<b>391,029</b>	<b>350,833</b>	<b>358,613</b>	<b>393,733</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	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)	(969,123)	(969,123)
Net Income	(34,333)	(76,494)	(115,661)	(158,234)	(194,275)	101,938	63,951	82,195	25,896	174,464	98,125
<b>Total Capital</b>	<b>236,523</b>	<b>194,362</b>	<b>155,195</b>	<b>112,622</b>	<b>76,581</b>	<b>372,794</b>	<b>334,807</b>	<b>353,051</b>	<b>296,752</b>	<b>445,320</b>	<b>368,981</b>
<b>Total Liabilities &amp; Capital</b>	<b>539,456</b>	<b>503,095</b>	<b>504,291</b>	<b>433,555</b>	<b>406,914</b>	<b>748,961</b>	<b>673,440</b>	<b>744,080</b>	<b>647,585</b>	<b>803,933</b>	<b>762,714</b>



Diablo Community Services District  
Cash Flow Statement  
11 month ended May 31, 2018

	July	August	September	October	November	December	January	February	March	April	May	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)	\$146,589	(\$74,361)	\$98,126
Adjustments to reconcile net income to net cash provided by operating activities												
Accumulated Depreciation	755	755	755	755	755	755	755	755	755	755	755	8,307
Accounts Receivable				0								0
Prepaid Expenses	43	43	43	(1,754)	43	54.92	(9,945)	55	55	55	55	(11,251)
Accounts Payable	(6,843)	(200)	34,363	(34,163)	3,400	39,834	(43,534)	46,396	(46,196)	1,780	29,120	23,957
Accrued Expenses												0
Total Adjustments	(6,045)	598	35,161	(35,162)	4,198	40,644	(52,724)	47,206	(45,386)	2,590	29,930	21,012
Net Cash provided by Operations	(40,378)	(41,562)	(4,008)	(77,734)	(31,843)	336,857	(90,710)	65,451	(101,685)	149,179	(44,431)	119,138
<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)	(1,000)	(1,000)	(11,000)
Bridge Sinking Fund	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(55,000)
Net cash used in investing	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(66,000)
<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	6,000	6,000	66,000
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	6,000	6,000	66,000
Net increase <decrease> in cash	(40,378)	(41,562)	(4,008)	(77,734)	(31,843)	336,857	(90,710)	65,451	(101,685)	149,179	(44,431)	119,138
<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	433,217	388,788	388,788
Cash Balance at Beg of Period	(269,650)	(229,271)	(187,711)	(183,704)	(105,970)	(74,126)	(410,983)	(320,273)	(385,723)	(284,038)	(433,217)	(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)	149,179	(44,429)	119,138