

**DIABLO COMMUNITY SERVICE DISTRICT
BOARD OF DIRECTORS MEETING
MINUTES
DIABLO ROOM, DIABLO COUNTRY CLUB
July 11, 2017 7:30 p.m. (Immediately following DMAC meeting)**

CALL TO ORDER: President Ray Brant called the meeting to order at 7:32 p.m.

ROLL CALL: GM Richard Breitwieser called the roll as follows:

Directors present: Brant, Torru, Mini, Urbelis

Directors absent: None

COMMENTS FROM THE AUDIENCE: None

ACTION ITEMS:

On motion of Director Torru, second by Director Mini, the minutes of the May 9, 2017 Regular Meeting were amended to include the changed date for the DPOA ice cream social and approved:

Ayes: Brant, Torru, Mini,

Noes: None

Abstentions: Urbelis

Absent: None

On motion of Director Urbelis, second by Director Mini, the Board authorized the submission of an opposing letter to AB 1479, which creates additional California Public Records Act regulations on California Districts. Dick Breitwieser and Director Urbelis will write the letter.

Ayes: Brant, Torru, Mini, Urbelis

Noes: None

Abstentions: None

Absent: None

On motion of Director Torru, second by Director Mini, The Board set a Special Meeting date of July 25th at 7:30 pm to interview and appoint a new Director to fill the board vacancy. There are 4 applicants.

Ayes: Brant, Torru, Mini, Urbelis

Noes: None

Abstentions: None

Absent: None

REPORTS:

DIABLO COUNTRY CLUB:

Hank Salvo reported:

The comment period on the reclamation water project has expired and the CEQA process should be complete in the next couple months. The open meetings with the community went well and if all goes as planned the permit to build the facility should be obtained later this Fall.

It is summer and the Club is having issues with kids on the golf course. The Club is working with parents and the Sheriff's Dept. to discourage unauthorized golf course activities and eliminate the vandalism.

The Club is financially sound and is having a busy summer.

Director Mini expressed concern about sediment build up in the Club's culvert that runs under the 17th fairway. Hank said he would have someone look into it.

CONTRA COSTA COUNTY:

Alicia Nuchols reported:

In recognition of Director Hoffman's passing Supervisor Burgis and the rest of the Board of Supervisors adjourned their May 9th board meeting to honor Director Hoffman with a public reading of his bio and a signing of a certificate acknowledging his contribution to the Diablo community. The certificate was mailed to his family.

The County is working on numerous infrastructure projects created by the storms from this past winter. The goal is to have all of the repairs complete by late Fall.

The County selected Marin Community Energy as the alternate energy source for county residents. Residents will receive more information later this year.

The County is looking to fill the District Attorney position and expects to appoint a new DA by the end of September.

The County is working on cannabis ordinances, now that cannabis is legal, and expects to have them completed by the end of the year.

DIABLO PROPERTY OWNERS REPORT:

Don Nejedly reported:

The ice cream social is July 16th at 4 pm at the Club pool. At the event the DPOA will honor Don Hoffman for his contribution to the community

SECURITY:

Deputy Sheriff Dan Buergi reviewed:

June's Security Report. July 4th was quiet with no reported incidents but with the kids out for summer we have had a general increase in mischievous activity.

The Board hired a deputy for summer weekend duty to enforce stop sign adherence. In his first shift 28 tickets were issued, of which 4 were to residents.

ROADS:

Director Mini reported:

Many residents have cut back their vegetation from the road but there are still some residents that need to comply with the ordinance. At the August meeting a list of those residents will be identified and MCE will be hired to cut back the vegetation at the property owners' cost.

The Fire District requires vegetation to be at least 13ft high when hanging over the road. The District will amend its vegetation ordinance to be consistent with the Fire Code

The Don Hoffman Memorial Bridge plaque is being designed and will be completed soon.

FINANCIAL:

Director Torru presented:

June's Financial Report. The District's income and expenses are in line with the Budget with the exception of the culvert failure and \$185K repairs, which was not anticipated.

ACTION ITEM: On motion of Director Urbelis, second by Director Mini, the Board authorized the hiring of Varinek, Trine, Day & Company LLP to audit the District's finances for FY 2017 at a cost of \$9,250 and FY 2018 at a cost of \$9,500. The motion was unanimously approved.

CALL OF NEXT MEETING/ADJOURNMENT. The President called the next meeting for August 8, 2017. There being no further business, the President adjourned the meeting at 8:10 pm.

Kathy Torru, Secretary

**DIABLO COMMUNITY SERVICE DISTRICT
BOARD OF DIRECTORS MEETING
MINUTES
SPECIAL (CLOSED) MEETING
Diablo Country Club
July 11, 2017 8:10 p.m.**

CALL TO ORDER: President Ray Brant called the meeting to order at 8:10 p.m.

ROLL CALL: GM Richard Breitwieser called the roll as follows:

Directors present: Brant, Torru, Mini, Urbelis
Directors Absent: None

The Directors and attorney Ken Styles of Miller, Starr, Regalia discussed the rights and liabilities associated with the failed road and culvert at the corner of Club House Rd and Calle Arroyo Rd. No action was taken.

There being no further business, the president adjourned the meeting at 8:45 p.m.

Kathy Torru, Secretary

Diablo Community Service District
Profit and Loss Statement
12 months ended June 30, 2017

	July	August	September	October	November	December	January	February	March	April	May	June	YTD	Budget	Prior YTD
<i>Income</i>															
Ad Valorem Taxes	\$0	\$0	\$0	\$0	\$10,875	\$221,816	\$0	\$0	\$0	\$160,245	\$0	\$31,339	\$424,275	\$402,603	\$394,698
Road & Security Fees					1,015	131,768				95,832		11,979	240,594	239,123	232,159
Traffic Fines	63	276	406	819		826	520	298	123	80		53	3,464	3,504	3,355
Other Income						9,579		(9,579)	9,579				9,579	0	0
Interest Income	7	7	7	7	4	4	8	6	6	2	6	5	69	84	81
Total Income	70	283	413	826	11,894	363,993	528	(9,275)	9,708	256,159	6	43,376	677,981	645,314	630,293
<i>Expenses</i>															
Sheriff Security	28,917	32,821	35,845	31,208	27,805	29,013	27,096	31,208	28,358	29,581	31,747	29,463	363,063	374,496	352,929
Auto Repairs													0	250	3,418
Cell Phone			219										219	400	200
Other					350								350	2,000	0
Road Maintenance				393,658		5,460	350			408			399,876	411,000	292,579
Bridge Maintenance													0	0	13,790
Bridge/Culvert Engineering													0	0	3,275
Storm Drain Maintenance							1,291	2,079					3,370	5,000	2,320
Repair of Failed Culvert									185,076				185,076	0	0
Tree, Bush and Weed Trimming									3,019	(3,019)			0	5,000	0
Gardener	120	120	120	120	120	120	120	120	240	100	100	100	1,500	1,440	1,440
Trail and Creek Maintenance										1,000	700		1,700	5,000	9,884
Entrance & Island Maint													0	0	0
General Manager	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000	21,000	21,000
Legal Retainer	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	22,200	22,200	22,200
Records Storage									1,248				1,248	1,200	1,188
Audit						9,000							9,000	9,000	5,000
Legal Notices and Fees									300		432		732	350	210
Assessors Roll/County Fees			28										28	100	33
Other Professional Fees	43	281	98	43	2,435	43	98	153	1,473	186	43	43	4,940	5,000	7,716
Insur Director and Officers						9,084							9,084	9,100	9,084
Insur Commercial and Auto				3,552					2,965				6,517	3,600	7,827
Insur Excess General Liability				3,970									3,970	4,200	4,175
DMAC Operating Expenses													0	175	0
Administrative	90	90	21	21	21	25	23	26	20	22	0	85	444	396	304
Depreciation Expense	173	173	173	173	887	887	887	887	887	755	755	756	7,394	12,636	1,954
Miscellaneous	274	301			298		2,633				119		3,625	3,050	2,539
Total Expenses	33,217	37,386	40,105	436,346	35,516	57,232	36,098	38,073	227,186	32,633	37,496	34,047	1,045,335	896,593	763,065
Net Income	(33,147)	(37,103)	(39,692)	(435,520)	(23,622)	306,761	(35,570)	(47,348)	(217,478)	223,526	(37,490)	9,329	(367,354)	(251,279)	(132,772)

Diablo Community Service District
Balance Sheet
June 30, 2017

	July	August	September	October	November	December	January	February	March	April	May	June
ASSETS												
Current Assets												
Wells Fargo Checking Acct	\$365,276	\$296,663	\$293,146	\$239,366	\$23,920	\$105,493	\$35,985	\$103,957	\$41,716	\$298,031	\$30,694	\$40,918
Wells Fargo Money Market	268,670	268,677	268,683	268,690	68,695	318,699	318,707	218,713	218,718	28,721	228,727	228,732
Accounts Receivable						9,579	9,579	0	0	0	2,200	2,200
Prepaid Expenses	692	649	605	563	519	476	432	389	346	303	259	216
Total Current Assets	634,638	565,989	562,434	508,619	93,134	434,247	364,703	323,059	260,780	327,055	261,880	272,066
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	5,917	5,917
Automobile	102,563	102,563	102,563	102,563	106,427	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	2,500
Accumulated Depreciation	(68,891)	(69,064)	(69,238)	(69,411)	(70,298)	(7,574)	(8,461)	(9,348)	(10,235)	(10,990)	(11,745)	(12,501)
Total Property and Equipment	42,089	41,916	41,742	41,569	44,546	43,660	42,773	41,886	40,999	40,244	39,489	38,733
Other Assets												
Automobile Sinking Fund	23,833	23,833	23,833	23,833	23,833	23,833	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	215,000	220,000	225,000	230,000	235,000	240,000
Total Other Assets	208,833	213,833	218,833	223,833	228,833	233,833	238,833	243,833	248,833	253,833	258,833	263,833
Total Assets	885,560	821,738	823,009	774,021	366,513	711,740	646,309	608,778	550,612	621,132	560,202	574,632
LIABILITIES AND CAPITAL												
Current Liabilities												
Accounts Payable	62,927	31,208	67,173	448,704	59,818	93,283	58,424	63,241	217,552	59,547	31,108	31,208
Total Current Liabilities	62,927	31,208	67,173	448,704	59,818	93,283	58,424	63,241	217,552	59,547	31,108	31,208
Long-Term Liabilities												
Other Liabilities	208,833	213,833	218,833	223,833	228,833	233,833	238,833	243,833	248,833	253,833	258,833	263,833
Total Long-Term Liabilities	208,833	213,833	218,833	223,833	228,833	233,833	238,833	243,833	248,833	253,833	258,833	263,833
Total Liabilities	271,760	245,041	286,006	672,537	288,651	327,116	297,257	307,074	466,385	313,380	289,941	295,041
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	1,239,979	1,239,979
Retained Earnings	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)	(593,031)
Net Income	(33,147)	(70,253)	(109,945)	(545,464)	(569,085)	(262,325)	(297,897)	(345,245)	(562,723)	(339,197)	(376,688)	(367,357)
Total Capital	613,801	576,695	537,003	101,484	77,863	384,623	349,051	301,703	84,225	307,751	270,260	279,591
Total Liabilities & Capital	885,561	821,736	823,009	774,021	366,514	711,739	646,308	608,777	550,610	621,131	560,201	574,632

Diablo Community Service District
Cash Flow Statement
12 months ended June 30, 2017

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date
<i>Cash Flows from operating activities</i>													
Net Income	\$ (33,147)	\$ (37,103)	\$ (39,692)	\$ (435,520)	\$ (23,622)	\$ 306,761	\$ (35,570)	\$ (47,348)	\$ (217,478)	\$ 223,526	\$ (37,490)	\$ 9,329	\$ (367,354)
Adjustments to reconcile net income to net cash provided by operating activities													
Accumulated Depreciation	173	173	173	173	887	887	887	887	887	755	755	756	7,394
Accounts Receivable													0
Prepaid Expenses	43	43	43	43	43	43	43	43	43	43	43	43	516
Accounts Payable	26,787	(31,719)	35,965	381,531	(388,886)	33,465	(34,859)	4,817	154,311	(158,005)	(28,439)	100	(4,932)
Accrued Expenses													0
Total Adjustments	27,003	(31,503)	36,181	381,747	(387,956)	34,395	(33,929)	5,747	155,241	(157,207)	(27,641)	899	2,978
Net Cash provided by Operations	(6,144)	(68,606)	(3,511)	(53,773)	(411,578)	341,156	(69,499)	(41,601)	(62,237)	66,319	(65,131)	10,228	(364,376)
<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)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(60,000)
Net cash used in investing	(5,000)	(5,000)	(5,000)	(5,000)	(8,864)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(63,864)
<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	5,000	5,000	60,000
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	5,000	5,000	60,000
Net increase <decrease> in cash	(6,144)	(68,606)	(3,511)	(53,773)	(415,442)	341,156	(69,499)	(41,601)	(62,237)	66,319	(65,131)	10,228	(368,240)
<i>Summary</i>													
Cash Balance at End of Period	633,946	565,340	561,829	508,056	92,615	433,771	364,271	322,670	260,434	326,752	261,621	271,850	271,850
Cash Balance at Beg of Period	(640,090)	(633,946)	(565,340)	(561,829)	(508,056)	(92,615)	(433,771)	(364,271)	(322,670)	(260,434)	(326,752)	(261,621)	(640,090)
Net Increase <Decrease> in Cash	\$ (6,144)	\$ (68,606)	\$ (3,511)	\$ (53,773)	\$ (415,441)	\$ 341,156	\$ (69,500)	\$ (41,601)	\$ (62,236)	\$ 66,318	\$ (65,131)	\$ 10,229	\$ (368,240)