

**DIABLO COMMUNITY SERVICE DISTRICT
BOARD OF DIRECTORS MEETING
MINUTES
DIABLO ROOM, DIABLO COUNTRY CLUB
August 8, 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, Urbelis, Langon
Directors absent: Mini**

COMMENTS FROM THE AUDIENCE: There were no comments from the audience

Director Brant introduced Sheila Langon as the new DCSD Director and Roads Commissioner and welcomed her to the Board.

ACTION ITEM:

On motion of Director Torru, second by Director Urbelis, the minutes of the July 11, 2017 Regular Meeting were approved with changes:

Ayes: Brant, Torru, Urbelis
Noes: None
Abstentions: Langon
Absent: Mini

On motion of Director Torru, second by Director Urbelis, the minutes of the July 11 and July 26, 2017 Special Meetings were approved.

Ayes: Brant, Torru, Urbelis
Noes: None
Abstentions: Langon
Absent: Mini

On motion of Director Torru, second by Director Urbelis the DCSD voted to hold a mail-in-ballot Special Election in March 2018 to seek resident (registered voter) approval of a District Special Tax to replace the District's current Fees, and to approve the Timeline, Tax Amounts and Election Costs identified in Attachment A.

Ayes: Brant, Torru, Urbelis, Langon
Noes: None
Abstentions: None
Absent: Mini

On a motion of Director Urbelis, second by Director Torru the Board will give the property owners at 1700 Alameda Diablo 30 days to reimburse the District \$2,200 for the removal of the tree which fell from that property onto Alameda Diablo in March. After that date the outstanding invoice will be turned over to a collection agency. The General Manager will notify the property owner via letter.

Ayes: Brant, Torru, Urbelis, Langon
Noes: None
Abstentions: None
Absent: Mini

REPORTS:

DIABLO COUNTRY CLUB:

Hank Salvo reported:

The Club continues to experience an increase in golf course vandalism from local kids. To address the vandalism the Club will be taking a more aggressive response, which may include action by the Sheriff Department.

The water project is still under CEQA review.

The EBMUD water valves on Calle Arroyo have been painted a dark green and will remain unfenced to increase visibility at the corner.

CONTRA COSTA COUNTY:

Alicia Nuchols reported:

Supervisor Burgis has asked that her district representatives be cross-trained in each others territories. Dawn Morrow, District Representative for Oakley and Antioch, was introduced to the DCSD Board and will attend future DCSD meetings with Alicia as part of the cross-training.

The County has begun the interview process for the new District Attorney.

DIABLO PROPERTY OWNERS REPORT:

Don Nejedly reported:

The Ice Cream Social, held on July 16th at the Club poolside was much enjoyed by all those who attended. Don Hoffman was named Citizen of the Year for 2016. The award was presented to his wife Sandy and their two sons Keith and Robert.

The DPOA is looking for a few new Board members. Interested Diablo residents should contact Don Nejedly.

SECURITY:

Deputy Sheriff Dan Buergi and Lieutenant Jason Haynes:

Dan presented July's Security Report. The Sheriff met with the Club manager regarding golf course vandalism. While the Sheriff is not allowed to provide the Club private patrols, if the Club can identify the individuals committing the vandalism the Sheriff will contact the families.

Director Brant reported that the Mt Diablo Challenge would be held on October 8th. Director Langon, with Director Mini's assistance will coordinate with the Mt Diablo Challenge staff to ensure that they have volunteers present at Diablo entrances to direct participants and spectators to the event via Diablo Rd and Mt Diablo Scenic Blvd.

Lieutenant Haynes reported that Blackhawk and Roundhill have experienced an increase in home burglaries in the last couple of months by individuals using golf carts. We have not experienced any such crimes in Diablo.

ROADS:

Director Langon reported:

She has been working with residents to cut back vegetation encroaching on the roads and has been responding to resident inquiries about the District's 2017 roads grind and pave schedule. She explained to residents that the District's 2017 roads grind and pave program has been postponed until Fall 2018 due to cash flow issues resulting from the failed culvert repair costs incurred in February.

She is working with MCE to identify street signs and poles that need repair and/or replacement.

There is no update on the Don Hoffman bridge plaque.

FINANCIAL:

Director Torru presented:

July's Financial Report. The District's income and expenses are in line with the Budget and at the end of July the District had a cash balance of approximately 230K. The 2017 Audit has begun and the audit report should be complete by the October Board meeting.

CALL OF NEXT MEETING/ADJOURNMENT:

The President called the next meeting for September 12, 2017. There being no further business, the President adjourned the meeting at 8:24pm.

Kathy Torru, Secretary

Attachment A

Special Tax Amount

The Board has determined that increasing the Fee/Tax amount by an average of \$71 per lot will provide the District with the funds needed to address the aging infrastructure in the future.

| <u>Type of lot</u> | <u>2017-18 Fee</u> | <u>Tax Incr. after 3% COLA</u> | <u>2018-19 Tax</u> |
|--------------------|--------------------|--------------------------------|--------------------|
| Improved Lot | \$574.04 | \$71 | \$662.26 |
| Unimproved Lot | 110.74 | 14 | 128.06 |
| Country Club | 20,263.20 | 2,492 | 23,365.08* |

Special Election Timeline

September – Mail to Diablo residents a letter/postcard explaining the Special Election

October & January – Hold town hall meetings to educate residents and answer any questions.

February 5 – Ballots are mailed to Diablo registered voters.

March 6 – Ballots are due

Special Election Costs: \$10,000 - \$15,000

SCI Consulting Group 5,500

County 3,200

Outside Council 5,000

* This figure was modified subsequent to the meeting to \$23,444.68.

Diablo Community Service District
Profit and Loss Statement
1 month ended July 31, 2017

| | July | YTD | Budget | Prior YTD |
|-----------------------------|----------|----------|----------|-----------|
| <i>Income</i> | | | | |
| Ad Valorem Taxes | \$0 | \$0 | \$0 | \$0 |
| Road & Security Fees | | 0 | | |
| Traffic Fines | 177 | 177 | 292 | 63 |
| Interest Income | 5 | 5 | 6 | 7 |
| Total Income | 182 | 182 | 298 | 70 |
| <i>Expenses</i> | | | | |
| Sheriff Security | 30,000 | 30,000 | 30,421 | 28,917 |
| Road Maintenance | | 0 | | |
| Gardener | 100 | 100 | 100 | 120 |
| Trail and Creek Maintenance | | 0 | | |
| General Manager | 1,750 | 1,750 | 1,750 | 1,750 |
| Legal Retainer | 1,850 | 1,850 | 1,850 | 1,850 |
| Other Professional Fees | 43 | 43 | 43 | 43 |
| Administrative | 17 | 17 | 25 | 90 |
| Depreciation Expense | 755 | 755 | 755 | 173 |
| Miscellaneous | 0 | 0 | | 274 |
| Total Expenses | 34,515 | 34,515 | 34,944 | 33,217 |
| Net Income | (34,333) | (34,333) | (34,646) | (33,147) |

Diablo Community Service District

Balance Sheet

July 31, 2017

July

ASSETS

Current Assets

| | |
|----------------------------|------------|
| Wells Fargo Checking Acct | \$100,534 |
| Wells Fargo Money Market 2 | 128,737 |
| Accounts Receivable | 2,200 |
| Prepaid Expenses | <u>173</u> |
| Total Current Assets | 231,644 |

Property and Equipment

| | |
|------------------------------|-----------------|
| Computer Equip | 5,917 |
| Automobile | 42,817 |
| Other Fixed Assets | 2,500 |
| Accumulated Depreciation | <u>(13,256)</u> |
| Total Property and Equipment | 37,978 |

Other Assets

| | |
|-------------------------|----------------|
| Automobile Sinking Fund | 24,833 |
| Bridge Sinking Fund | <u>245,000</u> |
| Total Other Assets | 269,833 |

Total Assets 539,455

LIABILITIES AND CAPITAL

Current Liabilities

| | |
|---------------------------|--------------|
| Accounts Payable* | 30,100 |
| Accrued Expenses | <u>3,000</u> |
| Total Current Liabilities | 33,100 |

Long-Term Liabilities

| | |
|-----------------------------|----------------|
| Other Liabilities | <u>269,833</u> |
| Total Long-Term Liabilities | 269,833 |

Total Liabilities 302,933

Capital

| | |
|------------------------|-----------------|
| Opening Balance Equity | 1,239,979 |
| Retained Earnings | (969,123) |
| Net Income | <u>(34,333)</u> |
| Total Capital | 236,523 |

Total Liabilities & Capital 539,456

Diablo Community Service District
Cash Flow Statement
1 month ended July 31, 2017

| | July | Year to Date |
|----------------------------------------------------------------------------------------|-------------|--------------|
| <i>Cash Flows from operating activities</i> | | |
| Net Income | \$ (34,333) | \$ (34,333) |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Accumulated Depreciation | 755 | 755 |
| Accounts Receivable | | 0 |
| Prepaid Expenses | 43 | 43 |
| Accounts Payable | (6,843) | (6,843) |
| Accrued Expenses | | 0 |
| Total Adjustments | (6,045) | (6,045) |
| Net Cash provided by Operations | (40,378) | (40,378) |
| <i>Cash Flows from investing activities</i> | | |
| Used For | | |
| Other Fixed Assets | | 0 |
| Automobile Sinking Fund | (1,000) | (12,000) |
| Bridge Sinking Fund | (5,000) | (60,000) |
| Net cash used in investing | (6,000) | (72,000) |
| <i>Cash Flows from financing activities</i> | | |
| Proceeds From | | |
| Other Liabilities | 6,000 | 72,000 |
| Used For | | |
| Net cash used in financing | 6,000 | 72,000 |
| Net increase <decrease> in cash | (40,378) | (40,378) |
| <i>Summary</i> | | |
| Cash Balance at End of Period | 229,271 | 229,271 |
| Cash Balance at Beg of Period | (269,650) | (269,650) |
| Net Increase <Decrease> in Cash | \$ (40,379) | \$ (40,379) |