



Chino Hills · Diamond Bar · Industry

**TRES HERMANOS CONSERVATION AUTHORITY
BOARD OF DIRECTORS MEETING**

**WEDNESDAY, JANUARY 8, 2025, AGENDA
6:00 P.M.**

**CITY OF INDUSTRY - COUNCIL CHAMBERS
15625 MAYOR DAVE WAY
CITY OF INDUSTRY, CALIFORNIA**

**BOARD DIRECTORS
CHAIR, PETER ROGERS
VICE-CHAIR, CORY MOSS
DIRECTOR, ANDREW CHOU
DIRECTOR, STAN LIU
DIRECTOR, STEVE MARCUCCI
DIRECTOR, CYNTHIA MORAN
DIRECTOR, MARK RADECKI**

This agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda unless the Board of Directors makes a determination that an emergency exists or that a need to take immediate action on the item came to the attention of the City subsequent to the posting of the agenda. The Secretary of the Board has on file copies of written documentation relating to each item of business on this Agenda available for public inspection in the Office of the City of Industry City Clerk, in the public binder located at the entrance to the Council Chambers while the meeting is in session, and on the Authority's website at www.treshermanos.org. Materials related to an item on this Agenda submitted to the Directors after distribution of the agenda packet are available for public inspection in the Office of the City of Industry, 15625 Mayor Dave Way, City of Industry, CA during normal business hours.

Speaker Cards - Those persons wishing to address the Directors on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Authority Secretary a "Request to Speak" card available at the entrance to the City Council Chambers. In accordance with the Public Records Act, any information you provide on this form is available to the public. **You are not required to provide personal information in order to speak, except to the extent necessary for the Secretary of the Board to call upon you.** Comments will be limited to five minutes per speaker.

Emails and documents submitted will be considered a public document subject to posting on the City's website and are subject to the Public Records Act.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in the Board meeting, please contact the Authority Secretary, (626) 333-2211, at least 48 hours prior to the meeting to enable the Authority to make reasonable arrangements. [Click here](#) to view the Reasonable Accommodations Policy for The Tres Hermanos Conservation Authority Brown Act Meetings or contact the City Clerk's office to obtain a copy.

PLEASE SILENCE ALL ELECTRONIC DEVICES WHILE BOARD IS IN SESSION. Thank you.

CALL TO ORDER / ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

1. **PUBLIC COMMENTS:** At this time members of the public may address the Authority regarding any items within the subject matter jurisdiction of the Authority provided NO action or discussion may be taken on any item not appearing on the agenda, except the Authority may BRIEFLY respond to statements made or questions posed.

REORGANIZATION OF THE BOARD OF DIRECTORS

Select Chair and Vice-Chair

CONSENT CALENDAR

- 1 Receive and file the Audited Financial Statements for Fiscal Year 2023-24
2. Receive and file Payment Registers for months ended October 2024 and November 2024
3. Receive and file Treasurer's Reports for months ended October 31, and November 30, 2024

OLD BUSINESS:

There is none.

NEW BUSINESS:

4. Receive and file report on construction and/or installation of erosion control measures on wet side of Arnold Reservoir earthen dam at Tres Hermanos Ranch

AUTHORITY DIRECTOR COMMENTS:

ADJOURNMENT: The next regular Tres Hermanos Conservation Authority meeting will be Wednesday, March 12, 2025 at 6:00 p.m.

TRES HERMANOS CONSERVATION AUTHORITY

CONSENT ITEM 1



Chino Hills · Diamond Bar · Industry

Date: January 8, 2025

To: Chair and Board of Directors

From: Josh Nelson, Executive Director

**Subject: Receive and File the Audited Financial Statements for Fiscal Year
2023-24**

Recommendation:

That the Authority receive and file the Audited Financial Statements for the fiscal year ended June 30, 2024.

Background/Analysis:

Pursuant to the Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement Section 3.8, Treasurer, the Treasurer shall cause an independent audit to be made by a certified public accountant in compliance with Section 6505 of the Government Code.

The auditing firm of Lance, Soll and Lunghard, LLP conducted the audit for the year ended June 30, 2024, and has issued an unmodified opinion, the highest opinion given for financial statements. This opinion indicates that the financial statements represent fairly, in all material aspects, the financial position of the Authority in accordance with accounting principles generally accepted in the United States of America.

Recommended By:

Joshua Nelson
Executive Director

Christa Buhagiar
Treasurer

Attachments Audit Communication Letter
Report on Internal Controls
Financial Statement June 30, 2024



November 21, 2024

To the Board of Directors
Tres Hermanos Conservation Authority
Diamond Bar, California

We have audited the financial statements of the governmental activities and the general fund information of the Tres Hermanos Conservation Authority, (the "Authority") for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 5, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2023-2024. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report that no such misstatements were identified during the course of our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.



To the Board of Directors
Tres Hermanos Conservation Authority
Diamond Bar, California

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 21, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the budgetary comparison schedule for the general fund which is required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal Year 2024-2025

GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 102, *Certain Risk Disclosures*.

Fiscal Year 2025-2026

GASB Statement No. 103, *Financial Reporting Model Improvements*.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

Future Projects

Comprehensive Project, *Revenue and Expense Recognition*.

Major Project, *Going Concern Uncertainties and Severe Financial Stress*.

Major Project, *Infrastructure Assets*.



To the Board of Directors
Tres Hermanos Conservation Authority
Diamond Bar, California

Practice Issue, *Classification of Nonfinancial Assets*.

Practice Issue, *Risks and Uncertainties Disclosures*.

Practice Issue, *Subsequent Events*.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Lance, Soll & Lunghard, LLP". The signature is written in black ink and is positioned above the printed name of the firm.

Lance, Soll & Lunghard, LLP



November 21, 2024

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Diamond Bar, California

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To the Board of Directors
Tres Hermanos Conservation Authority
Diamond Bar, California

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Very truly yours,

A handwritten signature in black ink that reads "Lance, Soll & Lunghard, LLP". The signature is written in a cursive, flowing style.

Lance, Soll & Lunghard, LLP



TRES HERMANOS CONSERVATION AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2024 FINANCIAL STATEMENTS

Focused
on YOU



TRES HERMANOS CONSERVATION AUTHORITY

Financial Statements
For the Year Ended June 30, 2024

TRES HERMANOS CONSERVATION AUTHORITY

Financial Statements
For the Year Ended June 30, 2024

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TRES HERMANOS CONSERVATION AUTHORITY

For the Year Ended June 30, 2024

AUTHORITY OFFICIALS

Peter Rogers	Chairman
Cory Moss	Vice Chair
Andrew Chou	Board Member
Cynthia Moran	Board Member
Steve Marcucci	Board Member
Stan Liu	Board Member
Mark Radecki	Board Member



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Tres Hermanos Conservation Authority
Diamond Bar, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Tres Hermanos Conservation Authority (the "Authority"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Authority, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Board of Directors
Tres Hermanos Conservation Authority
Diamond Bar, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting



To the Board of Directors
Tres Hermanos Conservation Authority
Diamond Bar, California

Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Luyhard, LLP".

Irvine, California
November 20, 2024

TRES HERMANOS CONSERVATION AUTHORITY
Statement of Net Position and Governmental Fund Balance Sheet
June 30, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets:			
Cash and cash equivalents	\$ 270,300	\$ -	\$ 270,300
Accounts receivable	325	-	325
Interest receivable	3,190	-	3,190
Capital assets	-	41,650,000	41,650,000
Total Assets	<u>273,815</u>	<u>41,650,000</u>	<u>41,923,815</u>
Liabilities, Deferred Inflows of Resources and Fund Balance:			
Liabilities:			
Accounts payable	22,146	-	22,146
Unearned revenue	3,263	-	3,263
Total Liabilities	<u>25,409</u>	<u>-</u>	<u>25,409</u>
Fund Balance:			
Unassigned	248,406	(248,406)	-
Total Fund Balance	<u>248,406</u>	<u>(248,406)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 273,815</u>		
Net Position:			
Invested in capital assets		41,650,000	41,650,000
Unrestricted		248,406	248,406
Total Net Position		<u>\$ 41,898,406</u>	<u>\$ 41,898,406</u>

TRES HERMANOS CONSERVATION AUTHORITY
Statement of Activities and Governmental Fund
Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Member contributions	\$ 270,990	\$ -	\$ 270,990
Rental income	18,353	-	18,353
Interest income	12,824	-	12,824
Grant revenue	80,000	(61,259)	18,741
Total Revenues	382,167	(61,259)	320,908
Expenditures/Expenses:			
General government:			
Contractual services	140,953	-	140,953
Banking	30	-	30
Audit services	2,080	-	2,080
Legal services	4,900	-	4,900
Security services	46,050	-	46,050
Professional services	5,591	-	5,591
Liability and insurance	20,555	-	20,555
Office supplies	1,223	-	1,223
Utilities	3,230	-	3,230
Permits and fees	6,548	-	6,548
Total Expenditures/Expenses	231,160	-	231,160
Change in Fund Balance/Net Position	151,007	(61,259)	89,748
Fund Balance/Net Position - Beginning	97,399	41,711,259	41,808,658
Fund Balance/Net Position - Ending	\$ 248,406	\$ 41,650,000	\$ 41,898,406

TRES HERMANOS CONSERVATION AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2024

I. SIGNIFICANT ACCOUNTING POLICIES

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Tres Hermanos Conservation Authority (Authority) is a joint powers agency created by a joint powers agreement between the cities of Chino Hills and Diamond Bar, California, dated January 19, 1999. It was created pursuant to Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, in accordance with the provisions of the Marks-Roos Local Bond Pooling Act of 1985. The purpose of the Authority is to create a public entity to coordinate the overall development and conservation of a large undeveloped area of real property known as the Tres Hermanos Ranch, by preparing studies, plans, environmental reviews and similar information and by making recommendations to its members to take such actions including, but not limited to, acquisition and eminent domain as are necessary to implement its recommendations.

On February 6, 2019, the Authority amended and restated its agreement with the City of Industry pursuant to a Settlement Agreement. The City of Industry purchased the Tres Hermanos Ranch from the Successor Agency to Industry's Urban Development Agency. The City of Chino Hills and Diamond Bar contributed 10% of the purchase of the land. With the new agreement, each City will pay an equal one-third share of the cost for reasonable annual and recurring maintenance of the Ranch to be specified in the annual budget approved by the Authority. The Board consists of seven voting Directors: three from Industry, two from Chino Hills and two from Diamond Bar. Directors must be at all times holding office on a Member's City Council. Attendance by a majority of the Directors at a meeting, which majority must include at least one Director from each Member, shall constitute a quorum for the purpose of transacting business relating to the Authority.

The Authority is a public entity separate and apart from each of the Cities. The funds of the Authority have not been included within the scope of the basic financial statements of the Cities because the Authority has its own governing board that has responsibility over the operations of the Authority. Only the funds of the Authority are included herein, therefore, these financial statements do not purport to represent the financial position or results of operation of the cities of Chino Hills, Diamond Bar, or City of Industry.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statements of Net Position and Statement of Activities) report information on all activities of the Authority.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Revenues include contributions of the participating agencies.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

TRES HERMANOS CONSERVATION AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

D. Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits that are maintained in a bank account to pay obligations of the Authority. Cash and cash equivalents are reported at fair value on the accompanying statement of net position and governmental fund balance sheet.

Capital Assets

Capital assets, which includes the Tres Hermanos Ranch Property, are valued at historical cost. The land capital asset is reported in the Statement of Net Position of the Authority.

Functional Classification

Expenditures of the Authority are classified as general government.

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has no items that qualify for reporting in this category.

TRES HERMANOS CONSERVATION AUTHORITY
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND CASH EQUIVALENTS

Demand Deposits

At June 30, 2024, the carrying amount of the Authority's deposits was \$32,392.

Short-Term Investments

At June 30, 2024, the carrying amount of the Authority's short-term investments was \$237,908.

NOTE 3: CAPITAL ASSETS

The City of Industry purchased the Ranch from the Successor Agency to Industry's Urban-Development Agency in the amount of \$41,650,000 in Fiscal Year 2018-2019. As part of the Settlement Agreement, Chino Hills and Diamond Bar contributed to the purchase in the amount of 10% of the purchase price.

NOTE 4: MAINTENANCE COST MEMBER SHARE

For Fiscal Year 2023-2024 per Chapter 4. Funding and Administration, 4.1 Funding:

Contributions include an equal one-third payment from each member for the reasonable annual and recurring maintenance of the Ranch, for insurance, legal costs, and administration costs of the Authority and a reasonable reserve as established by the Board. Such costs shall be specified in the annual budget approved by the Authority, which is in accordance with the Joint Powers Agreement.

In Fiscal Year 2023-2024, the Maintenance Cost Member Share of each Member was as follows:

The City of Industry contributed \$90,330, the City of Chino Hills contributed \$90,330, and the City of Diamond Bar contributed \$90,330. Pursuant to the Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement Section 5.4, expenditures shall be within the limitations of the approved annual budget, and as required for emergency repairs, or as such the Board amends budget.

NOTE 5: RELATED PARTY TRANSACTIONS

As of June 30, 2024, the City of Industry was reimbursed \$84,477 for LA County weed and pest abatement services and \$575 for staff hours related to the bus tour of the ranch. The City of Chino Hills was reimbursed \$3,230 for water services, \$5,591 for treasurer services, and \$2,113 for services related to the bus tours of the ranch. The City of Diamond Bar was reimbursed \$1,196 for staff hours related to the bus tour of the ranch.

TRES HERMANOS CONSERVATION AUTHORITY
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 97,399	\$ 97,399	\$ 97,399	\$ -
Available for Appropriations (Inflows):				
Member contributions	270,990	270,990	270,990	-
Rental income	20,767	20,767	18,353	(2,414)
Interest income	-	-	12,824	12,824
Grant revenue	80,000	80,000	80,000	-
Amounts Available for Appropriations	469,156	469,156	479,566	10,410
Charges to Appropriations (Outflows):				
General government:				
Contractual services	261,000	275,984	140,953	135,031
Banking	300	300	30	270
Audit services	2,082	2,082	2,080	2
Legal services	7,101	7,101	4,900	2,201
Security services	48,561	48,563	46,050	2,513
Professional services	15,000	15,000	5,591	9,409
Liability and insurance	21,000	21,000	20,555	445
Office supplies	342	1,660	1,223	437
Utilities	5,301	5,301	3,230	2,071
Permits and fees	5,775	6,938	6,548	390
Total Charges to Appropriations	366,462	383,929	231,160	152,769
Budgetary Fund Balance, June 30	\$ 102,694	\$ 85,227	\$ 248,406	\$ 163,179

TRES HERMANOS CONSERVATION AUTHORITY
Notes to Required Supplementary Information
For the Year Ended June 30, 2024

Stewardship, Compliance and Accountability

The Executive Director directs the preparation of the Authority operating budget that is approved by the Board annually.

TRES HERMANOS CONSERVATION AUTHORITY

CONSENT ITEM 2



Chino Hills · Diamond Bar · Industry

Date: January 8, 2025
To: Chair and Board of Directors
From: Josh Nelson, Executive Director
Subject: Payment Register

Recommendation:

Receive and file the payment registers for October 2024 and November 2024.

Background/Analysis:

Pursuant to the Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement Section 5.2 Disbursements, the warrants and wire transfers of the Authority should be periodically reviewed by the Board. Attached for your review is the payment register for October 2024 and November 2024. These payments may include the following types: automatic clearing house (ACH), electronic funds transfer (EFT), and paper check. ACH payments have a five-digit number starting with a "2", EFT payments have a five-digit number starting with a "1", and paper checks have a four-digit number.

Recommended By:

Joshua Nelson
Executive Director

Christa Buhagiar
Treasurer

Attachments Payment Register - October 2024
Treasurer's Report - November 2024

Tres Hermanos Conservation Authority

Payment Register

From 10/1/2024 to 10/31/2024

#	DATE	VENDOR NAME	CONTRACT/ PO#	DESCRIPTION	RETENTION	INVOICE AMT
3109	10/10/2024	CITIZENS BUSINESS BANK (THCA CREDIT CARD)		POST OFFICE STAMPS		\$73.00
TOTAL						\$73.00
5310	10/16/2024	EGOSCUE LAW GROUP, INC.	THCA19-004	EGOSCUE/LEGAL/SEP24		\$175.00
TOTAL						\$175.00
5311	10/16/2024	JANUS PEST MANAGEMENT, INC.	THCA22-006	JANUS/PEST/SEP24		\$75.00
TOTAL						\$75.00
5312	10/23/2024	GARCIA'S FENCE CORPORATION	THCA24-001	GARCIA'S FENCE/REPAIRS/OCT24		\$2,998.00
TOTAL						\$2,998.00
5313	10/23/2024	KLINE'S PLUMBING INC	THCA24-004	KLINES PLUMB/1" FITTING TUB FOR CATTLE		\$462.70
TOTAL						\$462.70
10009	10/2/2024	C & C ENGINEERING, INC.	THCA20-002	CNC/FIELDMGMT/AUG24		\$4,272.50
TOTAL						\$4,272.50
10010	10/2/2024	CITY OF CHINO HILLS		CH/WATER/08/15/24-09/16/24		\$221.10
TOTAL						\$221.10
10011	10/16/2024	C & C ENGINEERING, INC.	THCA20-002	CNC/FIELDMGMT/SEP24		\$3,932.50
TOTAL						\$3,932.50
10013	10/16/2024	INDUSTRY SECURITY SERVICES, INC	THCA24-003	INDSTY/SECURITY SRVCS/SEP24		\$3,895.36
TOTAL						\$3,895.36
10014	10/16/2024	LANCE, SOLL & LUNGHARD LLP	A2021-065	FINANCIAL AUDITING SERVICES FOR THCA		\$1,900.00
TOTAL						\$1,900.00
10015	10/23/2024	CITY OF CHINO HILLS		CH/STAFF TIME/JUL-AUG24		\$1,353.66
TOTAL						\$1,353.66
10017	10/30/2024	CITY OF CHINO HILLS		CH/WATER/09/16/24-10/16/24		\$225.28
TOTAL						\$225.28
TOTAL						\$19,584.10

Note: The payments above may include the following types: automatic clearing house (ACH), electronic funds transfer (EFT), and paper check. ACH payments have a five-digit number starting with a "2", EFT payments have a five-digit number starting with a "1", and paper checks have a four-digit number.

Tres Hermanos Conservation Authority

Payment Register

From 11/1/2024 to 11/30/2024

#	DATE	VENDOR NAME	CONTRACT/ PO#	DESCRIPTION	RETENTION	INVOICE AMT
5314	11/13/2024	CITY OF INDUSTRY	THCA21-005	LACNTY/WEEDS/APR-JUN24		\$41,710.95
					TOTAL	\$41,710.95
5315	11/13/2024	DIAMOND ENVIRONMENTAL SERVICES	THCA23-003	DIAMOND/RESTROOM RENT/10/07/24-11/03/24		\$104.05
					TOTAL	\$104.05
5316	11/27/2024	JANUS PEST MANAGEMENT, INC.	THCA22-006	JANUS/PEST/OCT24		\$75.00
					TOTAL	\$75.00
5317	11/27/2024	STATE OF CALIFORNIA		WTR RIGHTS/FY24-25		\$363.80
					TOTAL	\$363.80
10018	11/27/2024	C & C ENGINEERING, INC.	THCA20-002	CNC/FIELDMGMT/OCT24		\$4,255.00
					TOTAL	\$4,255.00
10019	11/27/2024	INDUSTRY SECURITY SERVICES, INC	THCA24-003	INDSTY/SECURITY SRVCS/OCT24		\$4,034.48
					TOTAL	\$4,034.48
20012	11/12/2024	CITIZENS BUSINESS BANK (THCA CREDIT CARD)		BUSTOUR/SPORTPACKS		\$262.81
					TOTAL	\$262.81
TOTAL						\$50,806.09

Note: The payments above may include the following types: automatic clearing house (ACH), electronic funds transfer (EFT), and paper check. ACH payments have a five-digit number starting with a "2", EFT payments have a five-digit number starting with a "1", and paper checks have a four-digit number.

TRES HERMANOS CONSERVATION AUTHORITY

CONSENT ITEM 3



Chino Hills · Diamond Bar · Industry

Date: January 8, 2025
To: Chair and Board of Directors
From: Josh Nelson, Executive Director
Subject: Treasurer's Report

Recommendation:

Receive and file the Treasurer's Reports for the months ended October 31, 2024, and November 30, 2024.

Background/Analysis:

Pursuant to the Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement Section 5.3 Accounts, the Treasurer must verify and report in writing, at least quarterly, the amount of money held for the Authority and the amount of interest earnings, revenues, and expenditures since the last report. Attached for your information are the Treasurer's Reports for the months ended October 31, 2024, and November 30, 2024.

Recommended By:

Joshua Nelson
Executive Director

Christa Buhagiar
Treasurer

Attachments Treasurer's Report - October 2024
Treasurer's Report - November 2024

**Tres Hermanos Conservation Authority
Treasurer's Report
For the Month Ended October 31, 2024**

Description	Cost Value	Market Value	Interest/ Book Yield	Maturity Date	% of Portfolio
Cash and Cash Equivalents					
Citizens Business Bank - Premium Money Market LAIF Account	\$ 14,906	\$ 14,906	0.02%	n/a	2.91%
	496,784	497,808	4.52%	n/a	97.09%
Total Investment Portfolio	\$ 511,690	\$ 512,714			100.00%

Blended Yield of Cash and Investments	4.39%
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Benchmarks:	
LAIF	4.52%
6mo U.S. Treasury	4.43%
2yr U.S. Treasury	4.16%
5yr U.S. Treasury	4.15%

I hereby certify that the investments are in compliance with the investment policy adopted by the the Board of Directors. The investment portfolio provides sufficient funds to meet the budgeted expenditures over the next six months. This report meets the requirements of Government Code Section 53646.



Christina Buhagiar
Treasurer

Tres Hermanos Conservation Authority
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Month Ended October 31, 2024

	<u>Budget 2024/25</u>	<u>October 2024</u>	<u>Fiscal Year To Date 2024/25</u>	<u>% of Budget Used</u>
Revenues:				
Interest Income	\$ -	\$ 4,806	\$ 4,809	-
Fair Market Value Adjustment	-	-	880	-
Rental Income	15,312	1,103	7,673	50%
Reimbursements	4,164	221	711	17%
Contributions from Member Agencies	286,419	-	286,419	100%
Total Revenues	<u>305,895</u>	<u>6,130</u>	<u>300,492</u>	<u>98%</u>
Expenditures:				
Contractual Services	256,950	11,741	19,724	8%
Bank Charges	300	1	(17)	-6%
Audit Services	2,124	1,900	1,900	89%
Legal Services	7,601	175	438	6%
Security Services	53,835	3,895	12,034	22%
Professional Services	15,000	1,354	1,354	9%
Liability Insurance	21,630	-	1,915	9%
Office Supplies	1,347	73	1,425	106%
Water	3,690	446	897	24%
Permits & Fees	7,143	-	-	0%
Total Expenditures	<u>369,620</u>	<u>19,585</u>	<u>39,670</u>	<u>11%</u>
Excess of Revenues Over/(Under) Expenditures	<u>\$ (63,725)</u>	<u>\$ (13,455)</u>	<u>\$ 260,822</u>	
Fund Balances:				
Estimated Beginning of Fiscal Year *			\$ 248,406	
Excess of Revenues Over/(Under) Expenditures			260,822	
Estimated as of October 31, 2024			<u>\$ 509,228</u>	A
Estimated Fund Balances by City:				
Chino Hills			\$ 170,247	
Diamond Bar			165,353	
Industry			173,628	
Estimated Total Fund Balances by City			<u>\$ 509,228</u>	

A The ending fund balance in the amount of \$509,228 differs from the bank balance of \$511,690. The (\$2,642) difference is the net of \$1,174 in accounts receivable and (\$3,636) in outstanding checks.

* The Estimated Beginning Fiscal Year Fund Balance will continue to fluctuate until the FY 2023-24 audit is finalized at the end of January 2025.

**Tres Hermanos Conservation Authority
Treasurer's Report
For the Month Ended November 30, 2024**

Description	Cost Value	Market Value	Interest/ Book Yield	Maturity Date	% of Portfolio
Cash and Cash Equivalents					
Citizens Business Bank - Premium Money Market LAIF Account	\$ 13,105	\$ 13,105	0.02%	n/a	2.84%
	446,784	447,705	4.48%	n/a	97.16%
Total Investment Portfolio	\$ 459,889	\$ 460,810			100.00%

Blended Yield of Cash and Investments	4.35%
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Benchmarks:	
LAIF	4.48%
6mo U.S. Treasury	4.42%
2yr U.S. Treasury	4.13%
5yr U.S. Treasury	4.05%

I hereby certify that the investments are in compliance with the investment policy adopted by the the Board of Directors. The investment portfolio provides sufficient funds to meet the budgeted expenditures over the next six months. This report meets the requirements of Government Code Section 53646.

Christina Buhagiar
Treasurer

Tres Hermanos Conservation Authority
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Month Ended November 30, 2024

	<u>Budget 2024/25</u>	<u>November 2024</u>	<u>Fiscal Year To Date 2024/25</u>	<u>% of Budget Used</u>
Revenues:				
Interest Income	\$ -	\$ 1	\$ 4,810	-
Fair Market Value Adjustment	-	-	880	-
Rental Income	15,312	1,103	8,775	57%
Reimbursements	4,164	1,272	1,983	48%
Contributions from Member Agencies	286,419	-	286,419	100%
Total Revenues	<u>305,895</u>	<u>2,376</u>	<u>302,867</u>	<u>99%</u>
Expenditures:				
Contractual Services	256,950	46,408	66,132	26%
Bank Charges	300	20	3	1%
Audit Services	2,124	-	1,900	89%
Legal Services	7,601	-	438	6%
Security Services	53,835	4,035	16,068	30%
Professional Services	15,000	-	1,354	9%
Liability Insurance	21,630	-	1,915	9%
Office Supplies	1,347	-	1,425	106%
Water	3,690	-	897	24%
Permits & Fees	7,143	364	364	5%
Total Expenditures	<u>369,620</u>	<u>50,827</u>	<u>90,496</u>	<u>24%</u>
Excess of Revenues Over/(Under) Expenditures	<u>\$ (63,725)</u>	<u>\$ (48,452)</u>	<u>\$ 212,371</u>	
Fund Balances:				
Estimated Beginning of Fiscal Year *			\$ 248,406	
Excess of Revenues Over/(Under) Expenditures			212,371	
Estimated as of November 30, 2024			<u>\$ 460,777</u>	A
Estimated Fund Balances by City:				
Chino Hills			\$ 154,097	
Diamond Bar			149,203	
Industry			157,477	
Estimated Total Fund Balances by City			<u>\$ 460,777</u>	

A The ending fund balance in the amount of \$460,777 differs from the bank balance of \$459,889. The \$888 difference is the net of \$1,431 in accounts receivable and (\$543) in outstanding checks.

* The Estimated Beginning Fiscal Year Fund Balance will continue to fluctuate until the FY 2023-24 audit is finalized at the end of January 2025.

TRES HERMANOS CONSERVATION AUTHORITY

*NEW BUSINESS ITEM 4
VERBAL PRESENTATION*