Liberty Media buys 27.3% stake in Charter Cable

By Matthew Rocco, Fox Business

Liberty Media Corp., headed by Chairman John Malone, agreed on Tuesday to buy 27.3 percent of cable operator Charter Communications, which provides service in the Lake Tahoe Basin, in a $2.62 billion deal.

Liberty will purchase the stake from Apollo Management, Oaktree Capital Management and Crestview Partners. The deal includes about 26.9 million shares and 1.1 million warrants for $95.50 a share, a 2.6 percent discount as of Monday's closing price.

Shares of Charter Communications slipped 27 cents to $97.77 a share in pre-market trading Tuesday.

The deal is expected to close in the first half of the second quarter.

"We are excited to make this investment in Charter, the fourth largest cable provider in the U.S.," Greg Maffei, Liberty's chief executive, said in a statement. "Tom Rutledge and his team have done an impressive job of turning around Charter's operations and improving its financial position. We look forward to working with Charter's management team and fellow board members in the future."

The acquisition of a stake in Charter, the eighth biggest pay-

TV operator with 4.2 subscribers, would be Malone’s first big investment in a U.S. cable operator since he sold Tele-Communications Inc. to AT&T for $48 billion in 1999.

“We are pleased with Charter’s market position and growth opportunities and believe that the company’s investments in its high-capacity digital network which provides digital HD and on demand television, high-speed data and voice, will benefit its customers and shareholders alike,” Malone said.

Charter scored a deal of its own last month, agreeing to buy Cablevision Systems’ western cable systems, Optimum West, for about $1.6 billion in cash.

Charter also said its fourth-quarter loss narrowed on stronger revenue.

California community colleges spend millions on duplicative administrators

By Erica Perez and Agustin Armendariz, California Watch

The state’s 72 community college districts spend tens of millions of dollars on administrative positions that could be consolidated or shared by districts a short drive away, a California Watch analysis has found.

In the wake of huge budget shortfalls, California’s vast community college system has reduced its core academic functions — slashing millions of dollars by eliminating nearly a quarter of class sections, cutting services and laying off employees. At the start of the fall 2012 semester, more than

470,000 students had been wait-listed for classes at community colleges statewide. But millions of dollars still are spent on duplicative administrative costs.

More than half of the state's community college districts are within 20 miles of another district. And the vast majority of those districts have a single college. If these districts shared administrators, they potentially could shave millions off their expenses.

Lake Tahoe Community College is looking at ways to consolidate resources. Photo/LTN file

Take the Riverside, Mt. San Jacinto and Desert community college districts, all in Riverside County. Together, they operate five colleges with three chancellor's offices, three human resources departments, three finance offices, three facilities departments and three academic affairs offices, not to mention three boards of trustees.

The cost of employing the 15 executives who lead these departments, plus one or two support staff for each, totals nearly $6 million. The cost of running the three boards, including elections, legal support, stipends, benefits, support staff and travel expenses, equals nearly $1.7 million, records show.

The three districts employed more than 130 executives in total in 2010.

If the three districts could consolidate and whittle their bureaucracies down to one chancellor, one board and one head of each big administrative office, the savings would total $4.9 million – money that could, for example, pay for 960 additional class sections.

Riverside Community College District Chancellor Gregory Gray believes the savings could be even bigger.

“In this one district alone, you could easily save $5, $6, $7 million,” he said. “Multiply that up and down the state and you get a big number.”

Asked whether the system should consider merging some districts to save money, Gray didn’t hesitate. “Without a doubt and unquestionably, the answer to that is we should do that,” he said.

You could look at those facts, take note of the state’s revenue challenges and wonder why lawmakers aren’t already ordering cuts, mergers and cost savings.

But first you’d need a lesson on the way things operate in Sacramento.

“It is extremely difficult for a local chancellor like myself to try and initiate this type of discussion unless it’s really starting from the top,” said Gray, noting that no one in the state Capitol is championing consolidation.

For many of the community college districts, the potential savings may never be realized because the system of local districts is so deeply entrenched. In fact, obscure statutes in the California Education Code make it all but impossible to save money through merging districts – at least in the short run.

Students have borne the brunt of cuts to the system. They have been slapped with fees that have risen 130 percent in the past five years and have been unable to get into the classes they need. But the status quo has been protected.

The state's community college system isn't the only place in California's $92 billion budget where excess can be found. California Watch chose to zero in on the college system because of its sheer size and because it touches so many lives. About 2.4 million students attend community college classes.

California's community college system is the largest in the nation and the backbone of higher education in the state, serving the vast majority of the state's college students at the lowest price with the greatest number of locations. The system is especially essential now, as President Obama has pushed for greater resources for community colleges to shore up the country's workforce through job training and education.

California Watch reporters examined parts of the state community college system's bureaucracy to identify spending patterns and understand why reforms may prove elusive.

The 72 districts keep payroll and other data in different formats, which makes comparison difficult. So California Watch drilled down on 16 districts, taking into consideration the availability of detailed payroll data, geographic proximity and district size.

The group of 16 districts had duplicative executives or managers in 21 positions, not including chancellors and presidents. A total of 253 individuals cost the districts $30 million in salaries and at least $7.9 million in benefits in 2011.

Small districts consider collaboration

Many of the state's small districts are in precarious financial straits because budget cuts are making it increasingly difficult to support the administrative costs of running a district.

When statewide budget cuts hit, community colleges get lower enrollment targets — meaning fewer classes and student services.

But districts can scale down instructional and support services more easily than they can adjust the cost of administrative services such as payroll, accounting, information technology and institutional research, said Yuba Community College District Chancellor Doug Houston. That means courses and educational services end up on the chopping block first.

"We're making the cuts by reducing our core academic functions, and we're kind of chipping away at the margins of being more efficient with those noncore functions," Houston said.

The legal and political obstacles involved in merging districts have stopped districts from getting past the most preliminary discussions about consolidating.

Houston stops short of advocating that small districts should merge to save money. He's concerned that moving a district administration farther away would take something away from those communities.

But he has been working with a group of mostly small rural college districts to explore ways to share some of these administrative services, such as payroll services or server farms.

The group includes the Mendocino-Lake, Siskiyou Joint, Shasta-Tehama-Trinity Joint, Lassen, Feather River, Lake Tahoe, Monterey Peninsula, Butte-Glenn and Yuba districts in Northern California, plus the Copper Mountain, Barstow and Palo Verde college districts in the south.

“My fear is that for these smaller colleges that they’re already on the precipice, and that another round of cuts will put them in extreme jeopardy,” Houston said.

The group does not yet have an estimate of the potential savings districts could achieve. At Houston’s former district, the 5,000-student Lassen Community College District in Susanville, he estimated administrative costs made up 21 percent of the budget. He figures at least a quarter of that could be shaved through collaboration.

Houston and Kindred Murillo, president of the Lake Tahoe Community College District, are talking about sharing one or more senior administrators in the future, even though the two district offices are 145 miles apart.

The districts’ immediate financial woes are only the short-term context for the push toward collaboration, however.

“The bigger context is that the paying public, quite legitimately, is skeptical as to how efficient we have been in public services and is demanding greater efficiency,” Houston said. “And I think legitimately so.”

A broader analysis of the system revealed:

The state Education Code prevents districts from laying off any administrators for the first two years after merging, making it more difficult for districts to save money by consolidating.

The public appears open to change. California Watch commissioned a Field Poll that found an overwhelming majority favors consolidating community college administrative functions to save money.

As the ranks of elected community college trustees have swollen, their power and profile have diminished. The state pays for 442 community college district trustees, including an average annual cost of $5 million for elections. But the authority of these elected board members weakened significantly 35 years ago when voters approved Proposition 13, which transferred control over revenues from the boards of trustees to the state.

The Field Poll conducted in the fall for California Watch found that the majority of respondents had little or no knowledge about district board elections.

Unlike the centrally managed systems for the California State University and University of California, community colleges sprouted up largely as extensions of high school districts. That helps explain why they're organized into 72 locally governed bodies dotting the California terrain – each with its own bureaucracy.

In 2010, community colleges reported spending at least $1.7 billion on top-level administration, including pay for district executives and the cost of the 72 separate governing boards, according to a California Watch analysis of U.S. Department of Education data. The total cost of the system that year topped $10 billion.

But the 72 districts don't all report administrative spending to the federal government in the same way. That makes it difficult to compare how much each district spends on bureaucracy or to compare the community college system to other higher education systems.

The Riverside Community College District, for example, included $3.5 million in state money it spent on enterprises such as parking and student activities. The Long Beach Community College District did not include that category of expenses.

The chairman of the Assembly Higher Education Committee, Das Williams, D-Santa Barbara, said the state should consider district consolidation.

“There’s no question that there (are) more individual districts than is efficient and, in many cases, the efficiencies that can be gained would mean more classes for students,” Williams said. “And that’s really the tragedy of the system, is the lack of funding and the lack of reform.”

However, while lawmakers can encourage a statewide examination into the costs and benefits of district unification — through studies and hearings — Williams said local leaders ultimately need to sign on to make such a move successful.

Creating a new district

To see how much cost a district structure can add, consider how much California paid when it built one from scratch.

The seeds of Copper Mountain College in the High Desert took root in 1967, when the Desert Community College District in Palm Desert began offering college classes at local schools in the Morongo Basin.

Community leaders in the area began to envision having their own full-fledged college. In 1970, the district bought land on the side of Copper Mountain in Joshua Tree with the idea of eventually building a campus there. And in 1977, voters elected the first Morongo Basin resident to the district board of trustees. Virnita McDonald advocated for a college at Copper Mountain.

A new foundation, the Friends of Copper Mountain College, began raising money for a building campaign. Its success led to the opening of the Copper Mountain campus in 1984.

Still, college leaders wanted independence from the Palm Desert district. They argued that their campus wasn’t getting its fair share of resources. They believed the district should have built the Copper Mountain campus sooner.

“We felt that we were significantly different from the Palm

Desert community," said Owen Gillick, who has been involved with Copper Mountain College since 1975 and recently retired from the district's board of trustees. "We felt that even having one of five trustees residing here did not give … us the control over our destiny that we felt we deserved to have."

Frustrated by what it saw as a lack of action by district leaders, the Friends of Copper Mountain College met with Republican state Sen. Jim Brulte in 1998, hoping for a political solution.

Brulte agreed to tackle the issue. A bill he introduced authorized a new, separately funded district — without needing the approval of voters in Palm Desert.

David Wolf, then the executive director of the Accrediting Commission for Community and Junior Colleges, said in an interview that he was uncomfortable with the creation of a district of that size in that location because of obvious fiscal limitations.

Thomas Nussbaum, chancellor of the community college system at the time, also said he had concerns — not only about the extra cost, but also about the circumvention of the standard process for forming a district.

But the involvement of a powerful legislator made the move inevitable, they said.

Brulte "had already made up his mind on the subject and probably had the ability to pass whatever legislation he wanted to pass," Nussbaum said.

In 1999, the bill became law. Almost overnight, the region went from having one college and one district to two colleges and two districts.

With the new designation came new trappings. The district created two new jobs that mirrored positions at Palm Desert's College of the Desert: a chief human resources officer and a chief business officer. Copper Mountain also hired a director of fiscal services, promoted the provost to CEO and promoted a professor to a position as chief instructional officer. A new local board was elected. State budgets provided $3 million in the first two years to foot the bill for the transition.

From 1998, before the secession, to 2002, four years after the split, the cost of top-level administration for College of the Desert and Copper Mountain College doubled, growing at twice the rate of the system as a whole. Copper Mountain currently has nine administrators and faculty who make more than $100,000 per year.

Both districts are among California's smallest. The Desert Community College District enrolls roughly 13,000 students. Copper Mountain, the spinoff, is the second-tiniest district in the state, with 3,000 students enrolled last year.

Tiny districts are, by nature, inefficient. In fact, their fixed costs are so high that the state funding formula adds on extra money for them. As a result, per-student funding at Copper Mountain in 2010 was about $8,200 – more than 40 percent higher than the state average of $5,700.

"They've got to have a board, they've got to have a basic campus, they've got to have a basic administration, they've got to have a basic faculty even if their class size is very small," Wolf said. "So why would you create something like this … when there's 55 miles away a great big campus that provides everything?"

Gillick did not dispute that forming a new small district entailed significant costs. But he said consolidating Copper Mountain with a neighboring district would be an "unsuccessful implant."

"These small things (districts) are costly, but they have a value that can’t be measured in bucks,” he said.

Brulte, now the California Republican Party chairman, said there was no requirement in the law that the new district add more administrators. The move had a positive impact in the area, he said.

“At the end of the day, additional resources went to Copper Mountain, and it eliminated a tremendous source of conflict within the Morongo Basin,” he said. “The people of the Morongo Basin got to have control of the college district in their community.”

Overlapping roles

When you look at a map of California’s community college districts, the dots tend to cluster. More than half of the districts are within 20 miles of at least one other community college district.

Each district comes with a cadre of highly compensated executives who do the same thing as their counterpart with the same title at a district 10 or 15 miles away. In theory, geographically close districts could share a vice president of human resources or a chief business officer.

It’s unclear how much could be cut, but the community college system spends at least 17 cents of every dollar on top-level administrative costs.

California Watch analyzed payroll data for 16 districts. Combined, the districts – a mix of small and larger ones – had 18 directors of public relations, 21 directors of campus facilities and 12 institutional research chiefs. Not including the district superintendents or college presidents, the districts had some level of overlap in 21 executive or management positions.

Meanwhile, colleges have dealt with budget cuts by cutting classes. Before last year's passage of Proposition 30, which temporarily increases income and sales taxes to fund education, funding for community colleges had decreased by $809 million, or 12 percent, since 2008-09.

In that time period, the number of students served sunk by nearly half a million.

In an August 2012 survey conducted by the California Community Colleges Chancellor's Office, 66 of 78 colleges that responded reported having waitlists for fall classes. On average, there were 7,157 students wait-listed per college.

Berkeley City College student Clay Smith, 22, witnessed the effects of reduced class offerings firsthand. Last semester was the most hectic he'd ever seen.

"There were at least 10 kids standing in every class," Smith said. "There's people on the floor and in the hall. … I made sure to get to class 20 minutes early so I knew I had a seat."

Smith needs one more business class to meet the requirements to transfer to a UC school. But he never thought it would take him three years to get here.

"I had no clue," Smith said. "I didn't think it was going to take this long of a journey."

Obstacles to consolidation

The state Education Code makes it all but impossible for districts to achieve cost savings right away by merging operations.

Take the Napa Valley, Solano and Contra Costa community college districts, which together oversee five colleges. The district offices are within 15 to 25 miles of each other.

Combined, they serve about 81,000 students – fewer than at City College of San Francisco.

When you look at them together, Napa Valley, Solano and Contra Costa had three chief business officers, five directors of campus facilities, three athletic directors and three public relations chiefs in 2011. They also had two directors of information technology, chief financial aid officers and vice presidents of student success.

There were 12 key executive or administrative positions that clearly overlapped across all three districts and two other positions duplicated in 2 out of 3 districts.

Salaries and benefits for these 43 people totaled roughly $6.4 million. The districts employed more than 150 executives in total in 2010.

Some district officials questioned whether a district spanning three counties would reduce colleges' ability to respond to local business needs.

Timothy Leong, spokesman for the Contra Costa Community College District, said that while his district sees jobs in the energy sector, Napa may see more in the agricultural or wine industries.

"Community colleges in those respective areas work closely with the businesses in order to meet those educational needs for their future workforce," Leong said. "The question becomes, by proposed consolidation … will you be able to still meet the business needs and training needs for your students in the same way?"

Yulian Ligioso, vice president of finance and administration for Solano Community College, said a merger would entail many additional costs. For example, the districts would have to standardize their curriculums.

"While on the surface, I think it's certainly not something you cannot do, there are many obstacles you'd have to address in trying to merge the institutions," Ligioso said.

The districts have not discussed merging, but even if they did, they wouldn't be able to immediately reduce duplicative positions. California's Education Code prohibits districts from laying off nonacademic employees for two years following a merger.

That protection originates from a 1961 bill sponsored by the California School Employees Association, which ensured a year of job security for nonacademic employees after a merger. The union sponsored another bill in 1970 that pushed the protection to two years.

Even before a merger could be approved, a litany of other financial, legal and political hurdles would stand in the way.

Several groups must sign off on the deal, including the community college system's Board of Governors, a committee of K-12 school officials in every affected county and the merging districts' boards of trustees — who which would be voting on whether to eliminate their own positions.

Voters in every affected county would have to approve the merger at the polls, too.

The colleges, meanwhile, would have to get approval from the Accrediting Commission for Community and Junior Colleges. They would have to show that they could maintain the same quality of instruction and student support. The process entails legal review and a fee of $20,000.

The new district also would have to sort out multiple collective bargaining agreements, each with its own salary schedule.

Bill McGinnis, a trustee at the Butte-Glenn Community College District in Oroville, took a deeper look at these laws and regulations in 2011.

"It's a very complicated process and a very costly process," McGinnis said. “There’s no cost savings for at least two years. In order to make it work, you’d definitely need to have changes in the law.”

That’s not to say districts that currently operate multiple colleges are more efficient than single-college districts.

California Watch looked at three years of administrator-to-student ratios for each district. While the ratios varied, no clear pattern emerged that would explain why some districts had lots of administrators per student and others had very few. Districts with multiple colleges, for example, were no more likely than single-college districts to have a low administrator-to-student ratio.

Many community college officials point to this fact when they caution against merging districts. They often cite the state’s largest district, the nine-college, 230,000-student Los Angeles Community College District, as a highly bureaucratic organization they do not want to emulate.

“Mergers would be rather complicated legally, and we would have to be convinced that such mergers would bring about savings,” said Jack Scott, former chancellor of the California Community Colleges. “Unfortunately, there’s not evidence that (multicollege districts) operate more efficiently than some of the surrounding districts that are one-college districts.”

Snippets about Lake Tahoe

• Fallen Leaf Lake Community Service District has a new website.

• Sierra Resort team athlete and 2013 X Games gold medalist Jamie Anderson will make an appearance at the Billabong Flaunt it Finals at Sierra on April 6.

• Kindergarten registration for 2013-14 at Zephyr Cove Elementary started March 18.

• Children and families are invited to Easter Ham Bingo on March 23 from 5-8pm at the South Lake Tahoe Recreation Center. Proceeds benefit the Aktion Club of Lake Tahoe, a Kiwanis Club of Tahoe Sierra sponsored club for adults living with disabilities. There is no charge to attend. Card games are 25 cents a hand.

• Chas Guldemond, Ulrik Badertscher, Gjermund Braaten, Sage Kotsenburg and Torstein Horgmo are five of the competitors in High Roller Hold 'Em on April 6 at Heavenly Mountain Resort.

Ski report: Weather is changing

A change in weather is coming. Weather gurus are calling for rain and snow above 7,000 feet.

Here is the March 19 ski report.

— Curtis Fong

Tallac Site looking for volunteers

The Tallac Historic Site is looking for motivated people to help take part in the preservation, interpretation and maintenance of the historic structures on the Baldwin, Pope and Heller estates.

Located on Highway 89 just north of Camp Richardson, there are many things one can do as a Tallac Site volunteer. **You can:**

Provide tours

Be a museum docent

Provide living history programs

Help with general site maintenance

Preserve and restore the buildings

Garden.

Volunteer from one to three days each week. If interested in helping preserve the past and interpret it in the present, call or email (530) 543.2672, tsafrica@fs.fed.us, after May 15 call (530) 541.5227 .

STHS students demonstrate consequences of drug use

Publisher's note: ***This is one of a few articles about the Drug Store Project. This marks the 10-year anniversary of the program. This year's event will be April 2 at Lake Tahoe Community College. For more info about volunteering, donating or if you have questions, email Lisa Huard at lhuard@ymail.com.***

By Kathryn Reed

"Pick your friends wisely."

That's one way Caleb Russell stays away from drugs and alcohol.

As a freshman at South Tahoe High School, students who want him to use illegal drugs or alcohol have confronted him.

"If you're not doing it, you're not cool" is what some kids think, Odalys Rodriguez said. She, too, is a freshman at STHS. But she's not buying the rhetoric.

Both students are part of the AVID program and are part of a group of 11 students who will be instrumental in the April 2 Drug Store Project. Now in its 10th year, the Drug Store Project teaches sixth-graders about the dangers of drugs. All of these AVID kids went through the program.

“It really did scare me,” Rodriguez said of Drug Store Project.

Russell said, “It gives you an idea of what will happen.”

They are proof that the program has worked.

South Tahoe High School students prepare for their roles in the April 2 Drug Store Project. Photo/Kathryn Reed

It’s March 14 and the freshmen are in the middle of their second rehearsal. Music plays and a group dances. Three others are talking another kid into taking some Vicodin and mixing his drugs. He does. And then he passes out.

This is aptly named the “party scene” during Drug Store Project. What happens to that kid as well as the underage party hostess unfolds in other scenes.

While their part is a huge component of Drug Store Project, they are having fun rehearsing, learning lines, trading out parts and helping each other. When it comes to the real day they have to perform the skit nine times because the younger students come in that many groups.

“It sends a message to sixth-grade kids to avoid a party situation,” teacher Julia Russell said. “They want to share with kids that you have to be aware at parties and make good choices.”

Choices – that’s the overwhelming message of Drug Store Project. That everyone has a choice to say yes or no to whatever they are confronted with and that each decision has consequences.

Part of the high school organization’s mission is community service. This is the second year AVID students have participated in Drug Store Project, while previously Friday Night Live kids did.

STPUD changes elections to even years

South Tahoe Public Utility District’s board unanimously agreed to change its elections to even years. This means the current board members will all have one year added to their term.

The district chose to do this because Lake Tahoe Unified School District and Lake Tahoe Community College voted to alter the years they have elections. The three share the cost of the election. Had South Tahoe PUD stayed with the odd year elections, it could have cost upward of $60,000. Now that expense will be split between the three jurisdictions as was the case during odd year elections.

The El Dorado County Board of Supervisors must still vote on the change to make it a reality.

STPUD also looked at having geographically designated trustee areas as the two education entities are doing. No public utility in the state elects their board geographically. LTUSD and LTCC are going that route to comply with the California Voting Rights Act.

The board agreed to leave how people are elected to the STPUD board unchanged.

— Lake Tahoe News staff report

Opinion: Questioning Tahoe's clarity improvement

By David McClure

Have you heard? Lake Tahoe clarity is getting better now.

Recent press releases claim a second year of improved lake clarity, "the best in 10 years," no doubt misleading the casual observer to infer that Lake Tahoe's water quality problems are behind us.

Have you seen the near shore, shallow water lately? More to the point, do you remember what it was like 25 years ago? Many of us do, which raises the questions of what was omitted from the press releases and why create the false impression?

In the Tahoe Environmental Research Center's (TERC) annual State of the Lake Report for 2012, "A factor different to last year was the depth of mixing. This year the entire 1,645-foot depth of the lake mixed." To data analysts this periodic mixing of clear, deep water dilutes contaminants and shows improved Secchi measurements often for a couple of years.

Why was this fact omitted from the improved clarity claim?

Drought and numerous other factors influence clarity. But even with the upwelling of deep water and improved winter clarity, TERC's State of the Lake Report continues, "There is the continued decline in summer time clarity. In 2011, summer clarity was the second worst value on record."

The fact that summer clarity continues to decline during years of deep water mixing has caused some consternation among TERC scientists.

In the comprehensive Lake Tahoe Watershed Assessment, "An important lesson contained in the Secchi depth data is that by using a short-term subset of even five to six years, it is easily possible to arrive at a totally incorrect interpretation of the data (Goldman 1993)." So why was a press release made which prematurely interprets incomplete information?

The Tahoe Environmental Research Center leads the way for data gathering and monitoring of numerous variables effecting Lake clarity. This scientific organization performs so noble a purpose that it deserves independent funding. Today, TERC's funding is channeled through the Tahoe Regional Planning Agency, which is embroiled in political and legal controversy, and is hardly an unbiased funding source.

Lake clarity is directly affected by sediment flowing into the lake. To substantiate any claim of long-term clarity improvement there must be factual evidence that lake inflows from storm water pipes and specific projects are measurably reducing the fine sediments and nutrients that cause water quality degradation. That evidence is lacking.

The best management practices that are intended to infiltrate runoff (i.e. seep into the ground) from every parcel have only been installed on a small percentage of properties, and many of those are not maintained. The vaults which are intended to filter storm water from roadways (before it discharges directly into the lake) lack evidence that the filters actually remove the super fines that comprise 75 percent of the fine sediment contamination.

Models of what these measures are supposed to do is no substitute for actual field measurements. And sadly, the models and their modeled results often direct spending on ineffective but politically expedient activities to reduce contaminants.

Lake Tahoe water quality is in peril. Only to the extent that the science is divorced from politics can there be an accurate representation of reality. This is a call for independent funding of TERC's monitoring activities, real-time provisional release of water quality data, and an end to misleading press releases aimed at influencing public opinion.

David McClure is president of the North Tahoe Citizen Action Alliance.

Cold Creek controlled burn planned

U.S. Forest Service fuels management crews will resume prescribed fire operations in the Cold Creek area near South Lake Tahoe on March 19.Crews expect to burn approximately one-half acre.

Operations may continue through the week, weather and conditions permitting.

Residents and visitors can expect to see smoke from this prescribed fire project area. The Forest Service strives to minimize the impacts of smoke on local communities. Smoke-sensitive residents should consider staying indoors and keeping doors, windows and outside vents closed.

To directly receive prescribed fire updates, send an email to pa_ltbmu@fs.fed.us.

Forest Service staff will post road signs around areas affected by prescribed fire, and update the local fire information line at (530) 543.2600, No. 6.

Stateline man indicted in CalPERS bribery case

By Dale Kasler, Sacramento Bee

Federal prosecutors filed criminal charges today in the CalPERS bribery case, naming the big pension fund’s former chief executive and a Nevada businessman.

Brian Stretch, a spokesman for the U.S. attorney in San Francisco, said former CalPERS Chief Executive Fred Buenrostro and former board member Alfred Villalobos were named in a criminal case late this morning.

Stretch said the two men were charged with conspiracy to commit fraud, conspiracy to obstruct justice and making false statements to federal agents.

Alfred Villalobos

Villalobos, who lives in Stateline, earned about $50 million as a “placement agent” obtaining CalPERS investments on behalf of various private equity firms.

State officials already named the two men in a 2010 civil lawsuit, charging that Buenrostro took bribes from Villalobos to steer business toward Villalobos’ clients. The two men denied any wrongdoing.

The criminal charges come more than three years after the *Bee* first disclosed that Villalobos hosted Buenrostro’s wedding at his Lake Tahoe mansion and took Buenrostro on a paid trip around the world. Also on that trip was former CalPERS board member Charles Valdes, who hasn’t been charged with any wrongdoing.

The bribery case was probably the biggest scandal in CalPERS history, prompting a massive “special review” commissioned by the pension fund.

“We’ve been through our embarrassing times,” CalPERS board president Rob Feckner said after the indictments were announced. “This is a good day”

The review, led by Washington, D.C., securities lawyer Philip Khinda, concluded in March 2011 that Villalobos and Buenrostro’s activities had probably cost CalPERS tens of millions of dollars in inflated management fees.

Khinda said some of CalPERS’ investment partners surely inflated their fees to make up for the millions they were secretly paying in commissions to Villalobos.

Stretch said Villalobos, 69, and Buenrostro, 64, were released on bond after an initial appearance March 18 in U.S. District Court in San Francisco.

The indictment says the two men concocted phony letters to induce one of Villalobos’ big clients, Apollo Global Management of New York, to pay Villalobos a $14 million commission in 2007.

The letters claimed that CalPERS was are of the fees Villalobos was earning — a disclosure demanded by Apollo.