Talk of ‘secret’ tunnel fuels heated water debate in California

By Central Valley Business Times

A 45-mile long tunnel that would drain fresh water from the Sacramento-San Joaquin Delta – so wide in diameter that small planes could fly through it – is being talked about in secret meetings in Sacramento.

Broad plans for the tunnel have been worked out, although the planning document prepared by the state’s Natural Resources Agency with the plans says that it is “presented only for purposes of facilitating discussion and is not intended as any preliminary or final decision….”

“These are government officials using taxpayer funds to try to develop a scheme for spending billions more taxpayer funds and they are doing it in a non-public way,” says Jonas Minton, water policy advisor for the Planning and Conservation League, a Sacramento-based nonprofit lobbying organization specializing in environmental issues, and a former deputy director of the California Department of Water Resources.

“It includes many, many specifics that are in the form of a proposal. And perhaps this was a slip-up, but in the first appendix included with the document … it’s actually entitled ‘state proposal.’” says Mr. Minton. “Although they’re saying that this is just an issue paper, it certainly comes across as more than that.”

Read the whole story

South Tahoe pot cultivation ordinance ready for council

By Kathryn Reed

On the same day the South Lake Tahoe City Council is expected to vote on a medical marijuana cultivation ordinance, residents will elect three new council members and all of California will decide if pot should be legalized via Proposition 19.

Before Nov. 2, the City Council will have a public hearing on Oct. 19 regarding the local ordinance.

Also at the Oct. 19 meeting the agenda is likely to contain an extension on the moratorium to limit the number of pot clubs to the three existing ones. The original one-year moratorium was passed in November 2009. It will require a super majority or four-fifths vote to keep it going. Two years is the maximum for a moratorium like this.



Officials on Sept. 29 work on South Tahoe's draft pot cultivation

ordinance.
Photo/Kathryn
Reed

It’s not entirely clear what would happen to the collectives if the moratorium were not extended because all three have city business licenses, which was not the case a year ago. It could also mean more collectives would seek to be part of the community.

The 12-person committee recently convened to come up with a cultivation ordinance specifically for the collectives – since growing in other manner would be illegal – met Sept. 29 to finalize the plan that will be presented to the council in October.

The members include two city councilmen, a rep from each collective, a property manager, city manager, assistant city manager, city attorney, building inspector, police chief, and fire marshal.

Not much was changed in the draft pot ordinance even though the meeting went on for nearly two hours.

One of the most talked about issues was Lukins Brothers Water Company’s inability to put out a house fire.

Ray Zachau, fire marshal, said the issue to fight a fire if one of the 900 residences off Highway 89 is in flames is a concern that goes beyond the cause. The lack of water pressure in this area was exacerbated and brought to public’s conscience during the 2007 Angora Fire. Former City Manager Dave Jinkens spent years trying to rectify the issue to no avail.

Current City Manager Tony O’Rourke on Wednesday said it would be discriminatory to not allow grow operations in houses supplied by Lukins Brothers water.

“The No. 1 cause of residential fires everywhere is kitchen fires. Are we going to prevent kitchens in Lukins?” O’Rourke said.

He said the capability to put out a fire is not a reason to ban a grow-house when there are plenty of day-to-day causes that ignite fires.

On the flip-side, O’Rourke used the example of Monday’s fire on Wildwood Avenue as a reason to make sure the cultivation ordinance works. That house had a grow operation. (Renter Kevin Christensen was at the meeting to dispute his two plants under a 600-watt bulb were the cause of the fire that is likely to render the house a total loss. He said an outside uncovered electrical outlet was the cause, which contradicts the fire marshal.)

Part of the application for a grow permit will require the homeowner’s consent – and that person’s validated signature. Background checks will be done on want-to-be growers.

“If I can see something from the street that indicates it’s a grow operation, then it’s a violation,” O’Rourke said.

The goal is to write a document that will stand up in court if it were challenged. O’Rourke believes this has been done by using existing standards like electrical, building, and health and safety regulations and not writing something from scratch.

Minor tweaks will be made to the draft ordinance from this latest meeting. Some of which include adding attics are not permissible grow areas and reworking the violation language. The revisions are expected to be completed by Oct. 4 and then available at city offices at Lake Tahoe Airport.

Councilman Bruce Grego unsuccessfully sought stricter penalties for people who violate the ordinance.

“I want to bury them,” he said.

City Attorney Patrick Enright explained to the councilman, who is also an attorney, city ordinances per state law are misdemeanors and the maximum fine is $1,000. Grego had thrown out the number $10,000.

Councilman Bill Crawford weighed-in that being able to revoke a business license for people operating in the industrial area should solve the problem.

Several people at the table noted that if city officials find substantial violations at a residence to make the structure a public safety hazard, the electric company could pull the meter.

Small fires in South Tahoe blamed on kids with lighter

Two minor fires in South Lake Tahoe on Wednesday afternoon are believed to have been started by children.

Both were behind Heavenly Valley Estates and were close to each other.

At the scene fire officials found a lighter that was presumably used to light the pine needles. A Jeffery pine was torched, which sent smoke billowing into the air.

Although neither plot of charred land was more than 400-square-feet, South Tahoe Fire Marshal Ray Zachau said investigators want to know who started the fires. He expects it was the same kids in both instances.

This time of year fuels are extremely combustible because moisture has been scarce.

— Compiled by Kathryn Reed

No outcry to Placerville's measure to raise sales tax

By Carlos Alcalá, Sacramento Bee

Why, in a tea party era, is there no organized fight against Placerville's Measure H, a proposed quarter-percent hike in the sales tax?

No one even offered a ballot argument against it.

"It's kind of eerie," admitted City Manager John Driscoll.

Read the whole story

Unable to figure out nuts and bolts of SLT's 10-11 budget

By Kathryn Reed

In two days, a new fiscal year begins in South Lake Tahoe. The multi-million dollar budget approved in August on the eve of then-City Manager Dave Jinkens' departure is rife with questions.

Lake Tahoe News has been trying to put the pieces together, but the city has been hampering those efforts.

The budget for 2010-11 was approved 5-0 by the City Council on Aug. 3 even though now City Manager Tony O'Rourke wanted to be at the helm when it came before the council. Jinkens at the time told *Lake Tahoe News* it was important to pass the budget then. Why it was important was not articulated. And without the full budget available, *Lake Tahoe News* can't answer the question.

What city staff, aka Finance Director Christine Vuletich, presented to the council is on the website.

What's missing in these documents is the detail.

The city each year sends the budget to some firm to be bound. This takes months to be done. *Lake Tahoe News* has asked for the documents in PDF form and not bound form.

To this request, last week Vuletich replied, "We have not forgotten you, but must check with the City Attorney to make sure the work papers you are requesting are public information, that can be provided to you."

All *LTN* wanted was the documents that were sent to the printer or backup material that allowed the Finance Department to put the budget together.

On Sept. 27, after *LTN* asked again, Vuletich confirmed what *LTN* already new – the documents are for public consumption.

However, the 500-plus pages will not be available until sometime today. *LTN* will need time to scour them before reporting on the detail. This is assuming they are actually

available.

In the documents available to the public and media via the website, *LTN* was able to come up with 21 questions. They were sent Vuletich, O'Rourke and the five councilmembers on Sept. 27 with a deadline of noon Sept. 28.

Vuletich per an email said, "Regarding the twenty one detailed budget questions you asked (Monday), these will take considerable staff time to research in order to provide answers for you. It is not possible to complete this work by noon (Tuesday). We will do our best to complete this work as soon as possible, and will let you know when it is done."

The response by this reporter was, "… when it comes to answering the questions, I don't believe you when you say it will take considerable staff time to answer them. You could not have put the budget together without knowing the answers.

"I'm writing the first budget story (Sept. 28) based on the answers or non-answers to these questions. Subsequent stories will follow once I get through the documents you will be providing."

No word from Vuletich since then.

O'Rourke weighed-in with a phone call Sept. 27 saying he'd like to talk. Calls to him that evening and on Sept. 28 were not returned.

Lake Tahoe News will print the answers when the city answers all of them. A question *LTN* has been able to answer is the increase in the redevelopment budget by $1.5 million. It's the lead paint grant.

In other cities grant income and then expenditures are classified separately and not part of the overall budget. Not in South Lake Tahoe.

Although the below reference to the STR Trust Fund still

remains a mystery, *LTN* has learned several departments in the city have trust funds. These are specified funds the public may donate to for a specific cause that are not part of the general fund.

When *Lake Tahoe News* receives the detailed budget documents it will be looking at those funds more closely and specifically to see if the $20,000-plus for Linear Park that was given to the city from Core 24 Charities is in a fund like this or anywhere else. (This reporter was a founding member and past vice president of the now defunct nonprofit.)

Here are the questions *Lake Tahoe News* asked the city. The councilmembers were part of the email. Mayor Kathay Lovell and Mayor Pro Tem Hal Cole make up the finance committee. Neither emailed nor called *LTN* with a comment.

Unanswered budget questions:

1. Why did the City Council budget go up 15 percent? How much of that $192,541 is for salary and how much for health benefits? And what is the rest for?

2. The City Attorney's Office in 2009-10 had budgeted revenues of $100,000. Why no revenue this fiscal year? How does this department generate revenue?

3. Why did the vehicle abatement budget increase 144 percent? What specifically is this line item?

4. Is it true there is one less fire captain position in the 2010-11 budget? And is it true the fire chief didn't know about this reduction until the morning the council voted on the budget in August?

5. Fire prevention costs went up 17 percent? What is the public getting for those $42,721?

6. Fire training and safety budget was decreased by 20 percent. What was cut? Is this prudent?

7. Engineering under Public Works had an increase of 25 percent or more than $181,000. What is this money for? Are these the same people responsible for bids like the Lakeview Commons fiasco?

8. Can the city be doing its share of EIP projects with this kind of cut? Please explain what isn't getting done with the quarter million dollar cut.

9. Is the 38 percent increase in the TID bottom line related to the TOT increase that went into affect this year?

10. How/why did the Redevelopment and Housing budget increase 58 percent or $1.5 million? Where does that money come from and where will it be spent?

11. The Parking Enterprise category, is that just the Heavenly Village garage? With the numbers indicated, it looks like the projection is for it to lose even more money than this past fiscal year? How was that scenario arrived at?

12. Why are the airport environmental operations increasing 52 percent? And what are "airport environmental operations"?

13. What is AB939? And why did this fund increase 150 percent?

14. What is the $840,000 in the 2009-10 STR Trust Fund? What is that fund?

15. My calculations come to a deficit of $4,972,735, yet the city talks about $3 million taken from reserves to compensate for the 2010-11 deficit. Please explain how you wiped away the other nearly $2 million from the ledger? From the budget documents on the website, revenues for 2010-11 are $66,061,944. Expenses are budgeted at $71,034,670. This creates the earlier mentioned deficit. These numbers, though, don't tie back to the PowerPoint on the city's website. It seems like the Capital Improvement Plan Budget is not in the budget documents that are on the website. Please explain the

discrepancy.

16. Did the budget get approved without the specifics of the CIP being documented or discussed? The website said the CIP revenue budgeted is $34,524,280, while expenses will be $30,805.295. Is this the surplus, so to speak? Does that mean the CIP has been “robbed” unknowingly by the council, or perhaps knowingly, I’ll let them weigh-in individually.

17. The lack of detail provided in the documents on the website don’t allow for thorough analysis of how the cost savings from one budget year to the next have been made. Details would be nice.

18. Is it possible to get the actual balance sheet? This would show all assets, including fund balances, equipment and reserves. It should also show all debt obligations. This should be in one easy to read document. May I please have it?

19. In regards to using the $500,000 from the Workers’ Comp Reserves during the 2009-10 midyear budget revise, was this legal? Is it prudent?

20. There is also the use of the RDA Loan Transaction for $300,000. The document states, “Principal repayment is a balance sheet transaction, not typically budgeted, but increases fund annually.” This sounds like a slush fund to me. Please explain. And what about the interest on this account? Where is it? And how is it spent?

21. Regarding the TOT delinquencies: How do you account for these potential receivables? Is there a “bad debt” account? Interest is added to delinquent TOT, but where is the interest accrued? Is it included anywhere in revenues?

Placer County deputy earns state Medal of Valor

Gov. Arnold Schwarzenegger today awarded the Public Safety Officer Medal of Valor, California's highest public safety award, to 10 law enforcement officers for their outstanding commitment to the people of California.

Placer County Deputy Ken Skogen was one of those recipients.

On Aug. 30, 2009, Placer County deputies responded to the area of Rock Creek Road and Highway 49 for reports of an uncontrolled fire. While evacuating a burning residential neighborhood, Skogen was approached by a frantic male adult with a report that a woman was trapped in her burning home. The residence was fully engulfed in flames. As he came to a bedroom window, Skogen looked in and saw an elderly woman standing with her walker and staring back out at him. The woman was confused and in a state of shock.

Skogen broke the window and pleaded with the woman to come to him. She wouldn't walk forward and it was too high to pull her out. Knowing time was reducing his options, Skogen ran to the rear door and kicked it open. Realizing he had but a few seconds to save the woman's life, he pried the woman's hands from the walker. He lifted her into his arms and carried her out of the smoke filled house and down the street to safety. The house completely burned to the ground moments later.

"Hollywood can't dream up heroes as amazing as those we are honoring here today," Schwarzenegger said in a statement. "These public safety officers are our real-life action heroes who have shown extraordinary strength and character in the line of duty. On behalf of all Californians, I thank them for their service and dedication to the people of this great state."

Effective since 2003, the Public Safety Officer Medal of Valor Act gives the governor the authority to award a Medal of Valor to one or more public safety officers who are cited by the attorney general for extraordinary valor above and beyond the call of duty. The Medal of Valor is the highest state award to a public safety officer.

Other winners include: officers Rodney Richards and Jason Smith, California Highway Patrol; Sheriff Tom Allman, Mendocino County; Detective Eric Bradley, Lodi Police Department; Kevin Raffaelli and officers Rick Apecechea, Jeff Dellinges and Roberto Gonzalez, San Mateo Police Department; and Officer Kelley Merritt, Susanville Police Department.

Fire causes $20,000 in damage to S. Tahoe house

A two-story house in South Lake Tahoe suffered $20,000 in damage from a Monday afternoon fire.

Occupants of the house at 1331 Wildwood Ave. used a garden hose to extinguish most of the front exterior before firefighters arrived at 3:46pm.

“Firefighters quickly discovered the fire in the attic and extinguished it, preventing further extension,” South Lake Tahoe Division Chief Brad Piazzo said.

Lake Valley firefighters helped fight the fire.

The structure suffered about $20,000 in damage, with $10,000 in contents damage. No injuries were reported.

The cause of the fire is under investigation.

Valero a key player in California climate change initiative

By Rick Daysog, Sacramento Bee

Valero Energy Corp. CEO Bill Klesse once jokingly suggested oil industry executives should fight global warming by holding their breath. Now, his company has emerged as a major force behind the November ballot measure to suspend California's climate change law.



Since its start as a small Texas gasoline maker more than 30 years ago, Valero has grown into the nation's No. 1 independent oil refiner and a big player in Washington, D.C. The company also is spearheading the oil industry's campaign against the now-stalled federal cap-and-trade legislation.

Fresh from its victory in Congress, Valero, which operates refineries in Benicia and Wilmington, has spent $4 million on the campaign for Proposition 23, which would suspend California's climate change law.

Read the whole story

Dugard writing memoir to be published in 2011

By Stephen M. Silverman, People

Jaycee Dugard's incredible story of survival during 18 years of captivity until her 2009 rescue, will be published next year. And the author: Dugard herself.

Publisher Simon & Schuster said in a release that Dugard, now 30, will tell of her life from the time of her 1991 abduction to how she is faring now. Financial terms of her book deal were not divulged.



Jaycee Lee Dugard

Read the whole story

Lane wants until 2013 to finish S. Tahoe convention

center

By Kathryn Reed

Foreclosure. It is the word circulating around the bankrupt convention center project in South Lake Tahoe.

Randy Lane, principal with Lake Tahoe Development Community, wants the creditors to hold off a few more years.

“We are just asking for more time to figure things out and sell the property, which has not been well received by the city and one of the creditors,” Lane told *Lake Tahoe News*. “I don’t know that that is going forward. ”



A construction zone is the view Harveys' guests have had for years. Photo/Kathryn Reed

He knows the banks are tired of waiting.

A hearing is scheduled for Oct. 5 in U.S. Bankruptcy Court in Sacramento to discuss Lane’s latest proposal. Besides wanting to wait 2½ more years, the filing lists how the various parties would be treated.

Lane wants to be given until May 2013 to begin filling in the hole.

The project near the state line and across from Heavenly Village would have been the largest construction project in the city's history at more than $400 million. It was supposed to have two hotels, a convention center, retail and open space. Environmental impacts were highly lauded.

Projected revenue was heady. At the get-go developers were touting 180,000 visitors a year would pump $78 million into the South Shore economy.

When ground was broken in 2007 the first hotel was projected to open two years later. Instead, in October 2009 Lake Tahoe Development Company filed for bankruptcy.

The City Council at the time signed a contract without a performance bond in place. City officials let concrete be poured and rebar installed without a final map in place.

The significance of the latter is that it means 29 parcels have to be dealt with instead of one. If the property is foreclosed on, instead of getting back dirt, most investors are still tied together because of the foundation that was allowed to be put in without the Zephyr Cove-based firm having its finances all lined up to fund to project.

Patrick Enright, South Lake Tahoe city attorney, said the city is not backing Lane's latest proposal.

"We are saying it is way too long and a bad idea. We are not going to have a hole there until 2013," Enright said.

Lane does have until Dec. 21 to come up with a viable plan creditors will agree to. The bankruptcy judge keeps giving him extensions to have exclusive rights.

After that date a creditor or group of them could present a plan to the court or they could foreclose. El Dorado County could also foreclose to recoup the $2.45 million in property taxes Lane has not paid.

C.L. Raffety, county tax collector, did not return a call to discuss the county’s position.

Through the Teeter Law the county has been paying South Lake Tahoe its share of property taxes, which are higher with concrete and rebar compared to when businesses were operating on the 11-plus acres. The county, when all is said and done, will collect interest and penalties on the unpaid taxes.

If no plan comes out of bankruptcy court, the county has the first chance, over all the other creditors, to file for foreclosure. It would have to foreclose on all 29 parcels. People could come forward and pay the property taxes and then they would own the parcels. If no one comes forward, the county would own the property.

With Owens Financial owed nearly $29 million, it’s doubtful the firm would walk away from this project without getting a few pennies on the dollar. Much of the property City National owns has not been touched by construction workers, so it, too, is likely to want to recoup the land to compensate for the $7 million debt it’s owed.