Nevada casinos post annual net loss

By Cy Ryan, Las Vegas Sun

CARSON CITY – For the fourth consecutive year, Nevada's major casinos posted a net loss – $1.2 billion in fiscal 2012 – but business is looking up, state gaming officials said. The state Gaming Control Board issued its annual "Gaming Abstract" today showing the 2012 loss down from $3.9 billion in fiscal 2011. The loss was $3.4 billion in 2010 and $6.7 billion in 2009.

"It's getting better," said Michael Lawton, senior research analyst for the board.

Total revenue collected by the 265 Nevada casinos that grossed $1 million or more reached $22.9 billion, up from $22 billion in 2011. A total of 44 percent of revenue came from gaming, down from 46 percent in 2011, Lawton said.

Lawton noted that many states have casinos, and many people come to Nevada for other attractions. "The customer's wallet has been divided in different ways and spread in other ways," he said.

Revenue from rooms was up 8.7 percent; food increased 6.3 percent; and beverages grew 8.7 percent. The average daily room rate on the Las Vegas Strip was $131, compared to $128 in 2011, with an occupancy rate of 90.4 percent.

The net loss in 2012 for casinos on the Las Vegas Strip was $1.7 billion, down from $2.2 billion in fiscal 2011. It was the fourth year of losses.

Downtown Las Vegas casinos had a net loss of $46.1 million, down from a $56.1 million loss he previous year.

S. Shore chamber turning its attention to politics

By Kathryn Reed

Lake Tahoe South Shore Chamber of Commerce is about to become a lot more political.

That was one of the proclamations by CEO B Gorman at Thursday's annual breakfast meeting.

"The board made a courageous and progressive decision at their retreat. They have decided to create a Government Affairs Committee," Gorman told the group assembled at Tep's restaurant on Jan. 31.

Criteria for what issues or political races are worth taking a stand on are still being developed. The framework is expected to be completed in April.

The chamber is also going to start tracking elected officials' votes primarily as they relate to decisions that affect businesses. Gorman said the chamber would then be able to share with the 643 members how politicians have voted – basically if they are business friendly or not.

In many ways the chamber is already political. In 2006 it put together a Regional Plan initiative to help direct how the TRPA's final document would look.

"We provided TRPA policymakers with information about how they impact you as a home owner, business owner and employee," Gorman said. "We were responsible for 150 people showing up at

TRPA meetings.”

The TahoeFuture.org website that the chamber set up to provide people information as the bi-state planning agency went through the process to update its Regional Plan will remain active as the document begins to be implemented.

This year, the chamber is going to focus on economics and relationships.

Following up on the October economic forum will be a workshop (March 5, 5-8pm, Embassy Suites) to look at what happens next. People will talk about what they are working on – from the city’s recreation master plan, to Tahoe Regional Planning Agency area plans, to Vail Resorts, to Lake Tahoe Community College. The public will help identify the gaps – what isn’t being done.

Implementing the plans, ideas, goals – that’s the next step.

With the wayfinding signs installed on the California side of the South Shore, the chamber is going to try to do the same in Nevada.

Another goal for 2013 is to up the 84.3 percent membership retention rate to 86 percent.

Today the chamber’s new website is expected to launch.

USFS, ski resorts at odds over water rights

By Jason Blevins, Denver Post

The U.S. Forest Service will soon launch a national public process as it renews efforts to install a ski-permit rule requiring operators to transfer water rights used on public land to federal government.

A U.S. District judge in Denver last month overturned the new Forest Service rule, arguing that the agency had ran afoul of procedural guidelines when it sculpted new 2011 and 2012 permitting regulations requiring ski area operators to transfer water rights to the federal government as a condition of the ski area permit.

Judge William Martinez sided with the National Ski Areas Association, which had sued the Forest Service in January 2012 to stop the new permit water rules. The Forest Service this week announced it would begin a public process this spring – following federal procedural rules this time – gathering input from ski areas, ski area communities and others as it sculpts a regulation addressing water rights.

The agency will work to develop rules that keep water connected to the land, not the permit-holder.

“We would like to keep a situation where the water that is being used in the future – that is necessary and dependent for that ski area to operate – stays with that ski area for snowmaking and ski area operations,” said Rocky Mountain Regional Forester Daniel Jirón. “With climate change and other thing we are seeing, being able to maintain water at the ski area is going to be really, really important.”

The national process this spring will gather ski-area operators, business and residents in resort-dependent communities and anyone who depends on outdoor recreation, Jirón said.

Geraldine Link, public policy director for the National Ski Areas Association, said the group welcomed the public process and was eager to participate.

“We hope that all water rights owners will participate in the public process given the significant percentage of water that arises on National Forest System lands,” she said.

The process launched this week when the Colorado House agricultural committee heard testimony on a water rights bill. House Bill 1013 would prohibit a landowner from conditioning a special-use permit on the transfer of privately owned water rights. The bill was amended and a vote delayed until next week.

Jirón, who testified before the committee on Monday, said he wants to work closely with the state’s 22 ski areas operating on national forest land and the communities that rely on the $1.5 billion generated by those ski hills. He also said any new water-rights regulation would comply with Colorado’s complex water laws.

Jirón hailed the state’s ski area executives as “extremely professional, dedicated people … committed to skiing and committed to the industry.” But he wondered who would be in charge in 40 years.

“We have seen lots of changes in other kinds of industries,” he said, noting that ski-area permits last for 40 years and the Forest Service needs to think “long haul” about the future value of water and whether future owners could be compelled to sell water instead of run a ski hill. “It is not unreasonable to envision corporate changes where we are not working with these same people. Would they have the same dedication or would they see it as an asset? You see that in other industries. We have to look longer than just the current group or even the next group.”

Councilwoman takes issue with loop road talk

Alternative 2 of the loop road proposed by the Tahoe Transportation District.

By Kathryn Reed

STATELINE – One thing rang loud and clear Wednesday – Tahoe Transportation District and South Lake Tahoe officials are not on the same page when it comes to the proposed loop road on the east side of the city.

Carl Hasty, leader of the TTD, was the guest speaker Jan. 30 at the Soroptimist International South Lake Tahoe meeting at Harveys.

City Councilwoman JoAnn Conner was a guest of the Soroptimist. She was sitting next to newly appointed, though not yet sworn-in, Councilwoman Brooke Laine.

Hasty spoke about Alternative 2, the original route his agency brought forward and how the city doesn't like it. But it is still on the table.

Carl Hasty, Tahoe Transportation District executive director, talks Jan. 30 to Soroptimists about the loop road. Photo/Kathryn Reed

The TTD is an independent agency and does not take its direction from the city. The city has one vote on the TTD board. That member is Councilwoman Angela Swanson.

TTD can go forward with the loop road no matter how much the council protests. If properties would need to be obtained by "force", either the city or Caltrans would need to implement eminent domain. The city says it won't do so. Alternative 2 would affect more than 80 properties – some residential, some commercial.

Then Hasty spoke about the triangle alternative.

"The city says they would like this in the environmental documents," Hasty said.

Conner looked quizzical, and shared with tablemates that that alternative has not been before the council.

During the question and answer period she told Hasty she had no idea what he was talking about when it came to Alternative 3.

Hasty said he plans to be back in front of the council in February or March to discuss the loop road.

The idea is Highway 50 would be rerouted behind the casinos, with most proposals going only behind Harrah's and MontBleu. The current highway by Heavenly Village and in front of the Stateline casinos would be narrowed and become a city street.

Hasty called the loop road an opportunity and that those in the room should see it that was as well.

Making the area more pedestrian and bike friendly are goals, as is the ability to close down the road and have events on the city street.

But what is never discussed is why today events don't occur on the current loop road – behind any of the Stateline casinos.

After the council gets an update, the TTD board will hear a presentation, the results of the economic analysis should be out in the spring, then alternatives will be refined.

"We are not at the detail level yet," Hasty said. That will come with design charettes as well as when the city and Douglas County work on their respective area plans.

The goal is for the loop road to go through the environmental process in 2014, funding would be sought in 2015, with construction to follow when money is in hand.

44-month sentence for S. Tahoe woman in hit-and-run DUI

By Kathryn Reed

"We are here today because two lives were destroyed, but only one by choice," El Dorado County Assistant District Attorney Hans Uthe told the court Wednesday.

The lives are those of Christine Whalen, who chose to drive drunk, and Adam Rose, who was was hit from behind as he rode his bike on Emerald Bay Road.

That bike, now crumpled, rested against a railing just feet from the man who was riding it before it got in that condition.

He may never ride any bike again. For now, he is using crutches to get around.

The woman whose vehicle crushed the bike and did even more damage to the rider sat with her head down throughout much of Wednesday's hourlong sentencing hearing.

Whalen was driving on Highway 89 near 12th Street in South Lake Tahoe on Aug. 21 when her vehicle struck Rose, who was on his bicycle.

Whalen, 54, of South Lake Tahoe was sentenced to three years, eight months in state prison for felony hit-and-run with injury, felony driving under the influence and causing injury, and felony failure to yield with the intent to evade. She had a blood alcohol level of 0.23 – nearly three times the legal limit.

Having spent 163 days in El Dorado County Jail and being given the same amount of days for good behavior, Whalen has served nearly one year of her term.

The probation department had sought one full year in county jail. The defense wanted her to be sentenced to the local jail, too. The assistant district attorney said based on the gravity of the situation state prison was the best answer.

“I thought it should have been more,” Rose told *Lake Tahoe News* of the sentence. “But I don’t know if she had more time, what it would do.”

Several people spoke on Whalen’s behalf, including her daughter who is eight months pregnant. They understood the need for Whalen to be behind bars, but preferred it would be a shorter sentence, and one in county jail.

A restitution hearing is scheduled for March 4. Whalen will be in the county jail until then, so it is possible her grandson will be born in that time.

Rose, 38, was forthright in his testimony to the court on Jan. 30, even saying how he has forgiven Whalen despite the fact his life is nothing like it was and never will be based on his injuries.

“Upon impact you continued down the road 100 feet with me on your hood,” Rose said to Whalen. She made a turn, he flew off the hood onto the ground, skidding for about 50 feet, as his skin was ripped off.

“You left me for dead on the side of the road. While you were running, I was dying.”

Rose went through the litany of injuries he sustained and what his life is like today.

He reiterated to *LTN* how he is keeping a positive attitude – just like he said in an article published earlier this month.

Prior to rendering the sentence, El Dorado County Superior Court Judge Suzanne Kingsbury said this was probably the worse DUI incident she had seen in her 17 years on the bench.

Kingsbury agreed to recommend alcohol treatment for Whalen, adding that based on the blood alcohol level she doubted this was the first time Whalen had drunk to such excess. However, this is Whalen's first conviction.

Dozens of California employees getting 2 state paychecks

By Sacramento Bee

California state workers in nearly a dozen departments hold both a salaried position and another hourly-wage position in-house, according to new government payroll data.

Several hundred managers, supervisors and others in non-hourly jobs also have a rank-and-file position, according to the State Controller's Office. The numbers confirm CalPERS officials' assertion that it wasn't the only department using "additional appointments."

The $265 billion fund came under criticism for the practice after a *Bee* report that 50 managers and other salaried workers with technical skills had been tapped by CalPERS to receive extra pay for handling computer system and customer service backlogs.

After lawmakers said they were concerned about CalPERS' policy, the fund suspended it, saying that sensationalized media coverage about its business decision was a distraction from its mission. CalPERS says the program was its cheapest option and had saved an estimated $1.6 million in costs since it started in June 2011.

The *Bee* has called several departments on the controller's list and the California Department of Human Resources, which acts as the state's labor relations branch. None has spoken on the record yet.

Squaw, Heavenly at opposite ends when it comes to lodging prices

By Mark Harden, Denver Business Journal

Aspen is the most expensive ski destination out of 20 major U.S. resorts, and several Colorado ski towns are in the top 10, Cheaphotels.org said Monday.

The travel website ranked 20 American ski destinations on what a typical traveler would pay for the cheapest available double room at a three-star-or-better hotel room at or near the area’s ski slopes in February and March.

Cheaphotels.org said a typical Aspen room rate would be $241 per night, slightly steeper than Olympic Valley, home of Squaw Valley ($239) and Utah’s Alta/Snowbird ($236).

All the remaining ski destinations ranked among the 10 most expensive are in Colorado:

4. Breckenridge – $223.

5. Vail – $214.

6. Snowmass – $212.

7. Telluride – $204.

8. Keystone – $203.

9. Beaver Creek – $199.

10. Copper Mountain – $192.

At the other extreme among the 20 large U.S. resorts, says Cheaphotels.org, is Heavenly at ($94 a night) and Idaho’s Sun Valley ($107).

Crested Butte is the cheapest Colorado ski destination among the 20 evaluated, at $134 a night.

As for lift tickets, the *Associated Press* reported in December that the walk-up price for a single-day lift ticket at Vail and Beaver Creek had risen to an all-time record price of $129, with Aspen Mountain close behind at $117.

LTN writer wins award for travel coverage

The North American Travel Journalists Association has recognized *Lake Tahoe News* writer Susan Wood for her travel writing.

Her story on Bath, England, took second in the Historical or Hobby Travel category in the association's annual writing contest.

Susan Wood at the Thermae Bath Spa in Bath, England.

"Susan's ability to capture the essence of a location and make others want to travel there is a gift few writers ever develop," *LTN* Publisher Kathryn Reed said.

Wood is a regular contributor to *Lake Tahoe News*, with many of her stories focusing on travel.

This is the second consecutive year Wood has been singled out by NATJA judges for her expert descriptive prose.

Wood was also a finalist in the Local Lifestyle category for her article about train travel in England.

— Lake Tahoe News staff report

Report: CalFire secretly stashed millions of dollars

By Jeff Gottlieb, Los Angeles Times

LOS ANGELES — CalFire hid $3.6 million from legal settlements rather than depositing it into the state’s cash-strapped general fund as required, interviews and documents reviewed by the *Los Angeles Times* show.

For seven years, CalFire placed the money with the nonprofit California District Attorneys Association, paying the group to hold it. CalFire used the cash for equipment purchases and training purposes.

The practice ended last year amid questions about whether the fund was legal.

After questions from the *Times* last week, CalFire director Ken Pimlott notified the state Department of Natural Resources and state Department of Finance about the existence of the fund. The Department of Finance is planning an investigation.

State Sen. Ted Gaines, R-Rocklin, on Jan. 29 sent a letter to California Attorney General Kamala Harris requesting an investigation into CalFire’s hidden funds.

The CalFire news follows revelations that the state Department of Parks and Recreation hid $20 million as parks were being closed because of budget cuts. In the wake of the parks department scandal, the Department of Finance looked for secret funds in other departments but did not find Cal Fire’s account with the prosecutors’ association, a spokesman said.

Auditors found more than $200 million that agencies had squirreled away as lawmakers cut the state budget.

The CalFire fund is just the latest discovery of money hidden by California agencies and raises questions about whether there are others that like this one were entirely off the state books.

Last August, Pimlott froze money moving in and out of that fund after receiving a briefing from his staff, said Janet Upton, a CalFire spokeswoman.

She said the agency was determining how to deposit the remaining $810,000 into the state general fund. Upton said this was not an admission that there was anything wrong with CalFire establishing the fund.

Documents and emails show that top CalFire officials were aware of potential problems with the fund as far back as 2008, when an internal audit was launched. In early drafts, auditors said CalFire needed Department of Finance approval for the fund, which it never asked for. The auditors said that CalFire's chief counsel expressed concern that if the Department of Finance learned about the fund, it would demand the money be placed in the state treasury.

Another draft contains a September 2009 letter from Anthony Favro, head of CalFire's auditors, to Del Walters, then CalFire director, saying, "Of primary concern is the propriety of the fund … and this conflict needs to be addressed by CalFire Executive Management."

In September 2009, Favro sent another email saying: "I am concerned about the possible perception and allegation that we are using this fund to bypass State contracting, purchasing, and travel rules and guidelines."

CalFire's regulations state these types of legal settlements should go into the state general fund.

Some of the most critical comments about the fund were cut in the final audit.

Upton said Pimlott was not aware of the comments in the drafts until the *Times* asked about them. She said that spurred him to notify the other agencies.

Upton said she was told that the comments were dropped from the final report because auditors were treating the money as if it were part of the general fund. But because the district attorney's group is a nonprofit, it didn't apply.

Despite the audit, CalFire continued to send money into the fund. Pimlott had signed a new agreement with the association in 2011, about before he frozen the fund.

CalFire, with an annual budget of about $600 million, is responsible for preventing and putting out wildfires on about 31 million acres.

The Legislature last year passed a law requiring rural homeowners who rely on state firefighters to pay $150 a year for fire-prevention services, which could bring in $200 million. Gov. Jerry Brown said the state could no longer afford to pay the full cost of putting out blazes in fire-prone areas.

"How can the state get away with charging rural Californians a $150 illegal fire fee specifically to support Cal Fire operations, and at the same time Cal Fire is hiding millions in a secret fund?" Gaines said in a statement. "It's no wonder there is such a high level of distrust between the government and its citizens. We deserve to know the truth behind what took place and why."

The state Legislature established the agency's civil cost recovery program to force those responsible for starting a fire to pay CalFire's costs of putting out the blaze.

The program “helps offset the burden placed on the state’s budget by returning recovered dollars to the state’s General Fund,” according to a CalFire fact sheet.

CalFire established the fund with the district attorney’s association in 2005. The CDDA charged a fee to hold the money. The amount of that fee changed over the years. When it was started, the prosecutors received 3 percent of the money when it came in and another 15 percent when CalFire pulled money out for training or equipment.

Martin Vranicar, the CDAA’s assistant chief executive officer, said his understanding was that CalFire approached his group to set up the fund. “We were under the assumption that CalFire had the authority to do what they were doing,” he said. “The presumption is that government knows what they’re doing is correct and certainly proper.”

CalFire used the fund to purchase equipment, such 600 digital cameras and 26 evidence sheds for $600,000. According to the audits and emails, CalFire insisted the equipment belonged to the CDAA. That led Favro to send an email to Walters and Janet Barentson, CalFire’s current deputy chief director, asking, “Isn’t this a gift of public funds?”

Vranicar said his group definitely does not own the equipment. “I didn’t want us responsible for equipment purchased on their behalf and be accountable if it was lost or misused,” Vranicar said.

The CDAA began to have doubts about the fund when its new accounting firm asked questions and a new memoranda of understanding was being negotiated in 2011.

It recently informed CalFire the association will end its role as fund manager Feb. 10.

S. Tahoe police disclose attempted rape 1 month after incident

By Kathryn Reed

A 25-year-old woman from out of town who was attending the SnowGlobe Music Festival was almost raped New Year's Eve.

South Lake Tahoe police officers did not release the news that there is a would-be rapist either living in the area or who visited town until Jan. 29. Police Chief Brian Uhler said the delay is because they wanted to have a sketch of the suspect before information was released.

Now people are being asked a month after the incident to jar their memory if they have seen the man in the sketch to the left.

It is not known where the suspect is from. Uhler said no other similar incidents in the last month have been reported.

"We don't have a serial situation in South Lake Tahoe," Uhler told *Lake Tahoe News*.

The attempted rape occurred in the neighborhood off Johnson Boulevard, which isn’t far from the concert venue off Al Tahoe Boulevard. According to police, the woman, whose hometown has not been released, accepted a ride from the stranger with the agreement he would drive her to the residence where she was staying.

“The suspect then drove around for about 10 minutes before parking the truck. He explained he was trying to use his GPS to find the house. The suspect then attacked the victim,” Lt. Brain Williams said in a press release. “During the struggle, the suspect was able to pull down the victim’s pants. The victim continued to resist however, ultimately escaping from the suspect and running away. She fled through unfamiliar areas until she was finally able to find her friend’s house.”

The suspect is described as a white male, approximately 25 years old, 5-foot-7, 150 pounds, thin build, with wavy brown hair with about 2 inches on top and 1 inch on the sides. He had about a week’s worth of facial hair.

The pickup he was driving is an older white Ford with manual transmission and black cloth seats.

Anyone with information is asked to call (530) 542.6100 or Secret Witness at (530) 541.6800.