Opinion: A challenging economy in California

By Dan Walters, Sacramento Bee

Coincidentally, three otherwise unrelated events last week framed California’s somewhat clouded economic situation.

One was a revelation that the state now is tied with Rhode Island for the nation’s highest unemployment rate, 9.8 percent.

Although employment surged in California last year, with about a quarter-million new jobs, and the jobless rate had dropped by more than two percentage points from its high-water mark, more than 1.8 million workers are still without jobs. And outside the immediate Bay Area the picture is especially grim, with jobless rates hitting nearly 30 percent in some rural counties.

Dan Walters

The second event was release of a study by researchers at USC on the state’s potentially huge deposits of shale oil that, they said, could spark an economic boom in the state, as it has in other states.

Exploiting shale oil could create from a half-million to more than 2 million jobs, increase personal income sharply and spark a multi-billion-dollar surge in tax revenues, the study said.

The third was release of the latest annual update of the Tax Foundation’s state-by-state comparisons of tax burdens, indicating that Californians are bearing some of the nation’s highest taxation loads.

We were fourth highest at 11.2 percent of personal income in 2010 and since then, we’ve hiked sales and income taxes that would add nearly another half a point to that rate. Yet, despite those heavy taxes, state and local governments continue to struggle with chronic budget deficits and long-term obligations for pensions, retiree health care and bonded debt.

And there it is.

After three booms (defense, technology and housing) and three busts in the last three decades, California’s economy continues to sputter. Two new economic forecasts, one from UCLA’s Anderson School and another from California Lutheran University, see only incremental and slow recovery from what had been the worst recession since the Great Depression, with relatively high joblessness for years to come.

Meanwhile, we’re seeing a strong outflow of job-seeking Californians to other states, especially those whose economies are humming, such as Texas, thus reducing our stock of educated and high-skill workers.

It’s not a pretty picture, and while Gov. Jerry Brown dismisses those who question the state’s prospects as “declinists,” he and other Capitol politicians pay nothing more than lip service to making the state a more attractive venue for job- creating investment.

The oil shale situation is a big test. Are we willing to exploit – albeit with appropriate environmental safeguards – our vast reserves of oil, or will we continue to cross our fingers and hope that somehow, some way, California will recapture prosperity by osmosis?

Letter: Liberty ratepayers will be unfairly charged

To the community,

Thank you for being the first paper to report the Liberty Utilities transmission line upgrade project that will significantly impact Lake Tahoe's North Shore as the site of the project and all Liberty Energy customers who are currently expected to pay for the $50 million project.

The project application was first submitted to the California Public Utilities Commission by Sierra Pacific Power Company (SPPCo.) in August 2010. The cost was estimated at about $23 million to be added to rate base and spread over 2.5 million customers. The increase in rates would have been insignificant. Since the original application much has changed.

The cost estimate of the transmission upgrade project doubled to $46 million, and SPPCo. sold their California customers to CalPeco, which also does business in California as Liberty Energy. CalPeco (California Pacific Electric Company) purchased SPPCo.'s distribution system and about 49,000 customers (80 percent are in the Lake Tahoe Basin) effective Jan. 1, 2011. The latest transmission upgrade cost does not incorporate their requested cost of phasing the project, but it approaches $50 million to be spread among only 49,000 customers. This will result in a significant rate increase for all of us.

CalPeco also applied for a general rate increase in February 2012 which was approved in December 2012. CalPeco was granted a 46 percent increase in admin/operating expenses, but this increase was offset by their over collection of reduced cost of wholesale power. Rather than passing along these significant reductions to ratepayers, residential rates increased about 1 percent, while small commercial increased about 7.6 percent.

The quote from Liberty's Sam Rohn, "We will increase the voltage lines are able to carry, handle additional build-out at Martis Camp, Squaw Valley, and Northstar…" points right to the problem. They justify meeting future resort development loads outside of the Tahoe basin, by building new 120 kV lines inside the Tahoe basin – Tahoe City to Kings Beach and from Kings Beach to Truckee – when the biggest load demand is from Northstar. CalPeco sources their power from major transmission lines in Truckee.

Not only are the environmental impacts unnecessary in the Lake Tahoe Basin, but the huge cost is expected to be paid by Liberty Energy ratepayers instead of the few resort development customers causing the load demand.

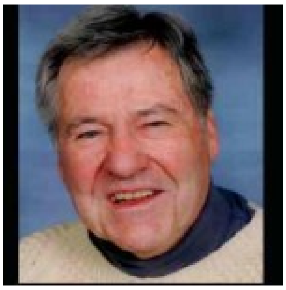
There's much more to Calpeco's generalizations about single contingency reliability, load demand for build-out, and who is going to foot the bill. This story deserves the attention your paper has given it as this infrastructure issue unfolds.

David McClure, North Tahoe Citizen Action Alliance president

Letter: USFS, CTC negligent landowners

To the community,

"The Big Burn" by Timothy Egan is about the wildfire of 1910 that burned an area the size of Connecticut. And it is about the birth of the Forest Service and conservation in the U.S. The fire began in Idaho and spread to Montana and Washington. It is about good guys and bad guys. For examples: the role of the 25th Infantry, the Buffalo Soldiers, black men who saved the town of Avery, Idaho. And the book tells about the attempts of the timber and railroad barons to kill the Forest Service and the conservation movement.



Bill Crawford

"The Big Burn" compels me to focus on the role of the Forest Service and the California Tahoe Conservancy in the city of South Lake Tahoe. Both agencies own lots in the city; lots that are not maintained to help prevent fire. High grass and pine trees are a good mix in a dry season. We have had two dry years back to back.

It's ironic that the Forest Service was created in 1905 with a top priority of prevention of wildfire, especially in the West. When I look at Forest Service lots in the city, that priority is on the back burner. The same can be said about the CTC. Pine trees aren't properly limbed and high grass isn't cut. If a crown fire with high wind happens, it's disaster for the city. Most of us in the city live in a subdivided pine forest.

I realize that some fires can’t be prevented, but citizens and public agencies should do their best to help prevent wildfires. The Forest Service and the CTC have failed to do their job. So far the city has been lucky. How long will good luck hold?

Bill Crawford, South Lake Tahoe

PS: Doctors say an ounce of prevention is worth a pound of cure. That should be the rule for wildfire prevention.

Opinion: Harassment among El Dorado County grand jurors

By Ryan Donner

I served as a member of the 2011-12 El Dorado County Grand Jury and began serving a second term on the 2012-13 El Dorado County Grand Jury.

Judge Stephen Bailey was the supervising judge during both of these jury sessions. At the end of the 2011-12 jury session, the presentation of a report on one of our investigations met with court censorship. I was very vocal regarding my opinion that the report should be issued as originally written.

It became apparent to me early in my second term that the foreman, Ray Van Asten, was not following proper jury protocol (Robert’s Rules of Order/Parliamentary Procedure) in conducting meetings and conducting votes on organizational activities within the full body of the jury. Further, he failed to appoint a pro tem or a secretary prior to statewide training meetings.

Each week Van Asten would appoint a member of the body to take meeting minutes which were then submitted to him. Upon our next full body meeting we would occasionally discover that votes taken or committees formed during the previous meeting had been changed in the meeting minutes and Van Asten would assert that the vote was invalid as a result of how the discussion was categorized, or he would deny any recollection of what had transpired with respect to the discrepancies.

I was very vocal about these breaches of protocol during the meetings, often stopping the proceedings to identify that procedure had not been followed. I was also vocal about the seemingly altered meeting minutes and the impropriety of not selecting officers prior to training meetings that would give those officers a guideline for managing oversight in the full body. As a result of my outspokenness, Van Asten became frustrated with me and began loudly contesting anything I had to say, ignoring me during discussions, and asking me to step back from commenting at all. A pattern of harassment began to develop.

Becoming more and more frustrated about the way the foreman was treating me, and about the breaches of protocol which I felt bordered on illegality, I made a complaint of harassment to El Dorado County Human Resources and was told that they had no purveyance over the jury body and suggested I contact the Superior Court instead. I was told by the court that Human Resources was the county’s responsibility, and that in any case, grand jurors were volunteers and really had no standing from an HR perspective.

Nevertheless, I then took my complaint to the district attorney, Vern Pierson. He listened to my complaint and told me he would look into it.

Within two weeks of my complaint, I received an email from Judge Bailey's clerk requesting that I meet at the judge's office with the judge. No explanation for the meeting was given, and I received no physical/formal written notice of the meeting. Upon arriving at the meeting I was told that it had been moved from the judge's office to his courtroom. Present in the courtroom were the judge, Van Asten, the clerk, a court stenographer, and a sheriff's bailiff. What ensued was not a meeting, but rather a hearing, during which I was essentially threatened with contempt of court unless I "got along" with Van Asten in the grand jury meetings (Here are the court transcripts.) I took this to mean that I should simply do what Van Asten told me, period. During a previous term as grand jury foreman, Van Asten also acted to have a juror with whom he disagreed removed.

Now understanding that my attempts to establish order during meetings was simply not going to be allowed, and suffering increasing harassment from Van Asten (threatening emails, public humiliation during meetings, etc.), I decided that my best course of action was to resign from the jury to avoid a kangaroo court issuing a contempt order against me for doing my job as a grand jury member – identifying oversight, even amongst the full body itself.

It is my belief that the problems I experienced during the early months of this grand jury continued even after my departure, and that the result was an unprecedented dissolution of a civil grand jury in El Dorado County prior to the completion of their term, and without issuing a single investigative report, even on the state mandated inspections of detention facilities in the county.

Ryan Donner is a resident of El Dorado County.

Letter: Heavenly gang helps at Bread & Broth

To the community,

"Heavenly Mountain Resort loves supporting the work of Bread & Broth. It is so popular among the staff that there is a waiting list to come and volunteer. I enjoy helping on occasion and seeing firsthand what a difference a great meal has on the needy of South lake Tahoe. Thanks for the opportunity," commented Heavenly's envirnonmental manager, Frank Papandrea, at the end of his volunteer shift at Heavenly Mountain Resort's March 11 Adopt A Day of nourishment.

Papandrea, along with Wren Buxton, dispatch supervisor; Tom Maugeri, security manager; and Jessica Sota, dispatcher represented Heavenly in supporting Bread & Broth's efforts to serve the evening's hot, nutritious meal.

Jessica Sota, from left, Frank Papandrea, Wren Buxton and Tom Maugeri of Heavenly. Photo/Provided

The Heavenly crew bagged and distributed giveaways from local merchants and helped served the main meal, desserts and drinks. The B&B volunteers enjoy the hardworking and energetic sponsor volunteers from all staff levels of Heavenly Mountain Resort.

The B&B volunteers and the Monday evening guests feel fortunate and appreciate the monthly partnership that exists between Heavenly Mountain Resort, Heavenly employees and the Bread & Broth program. Feeding the hungry in our community is the goal of B&B and Heavenly Mountain Resort is a major time and monetary contributor to the program.

Carol Gerard, Bread & Broth

Editorial: Nevada is wrong in busing mentally ill to California

Publisher's note: ***This editorial is from the March 19, 2013, Sacramento Bee.***

Nevada state mental health officials acknowledge that they bought bus ticket tickets for at least 99 psychiatric patients and sent them to California since last July.

They acknowledge one mistake, sending James Flavy Coy Brown, a 48-year-old man who had been housed in Rawson-Neal Psychiatric Hospital in Las Vegas, on a bus to Sacramento with a three-day supply of the antipsychotic medication thorazine and a few bottles of Ensure.

For the rest, they suggest, the practice is humane. They say their intent is to try to reunite mentally ill people with their family and friends. They say they're adhering to the wishes of patients who want to leave Nevada for California.

In reality, they are abdicating their responsibility to care for vulnerable people. They are engaging in Greyhound therapy and they are dumping patients on California.

In a hearing in Carson City last week, Nevada health officials acknowledge sending 99 patients to California. That doesn't count patients they may have sent to other states. Given California's experience, authorities in Arizona, Utah and other neighboring states ought to be aware of Nevada's proclivities.

Senate President Pro Tem Darrell Steinberg called on U.S. Health and Human Services Secretary Kathleen Sebelius to investigate Nevada's dumping of James Brown. Now that Nevada admits busing 98 other human beings to California, Sebelius should expand her inquiry.

To understand the magnitude of what Nevada admitted, consider that a top mental health official in Arizona told the Bee in an email that she could not recall any instance in which that state had bused a psychiatric patient to California.

And in a recent six-month period, Oregon returned only one psychiatric patient to California, said a spokeswoman for the Oregon state hospital. That individual's family paid transportation costs, indicating that the person had a place to sleep upon his or her arrival back home.

As the Nevada division of mental health policy states, "it shall be the policy … to assist patients who may be transported back to their home community in order to provide more appropriate care and to remove the burden of treatment from the state of Nevada."

Most mental health care workers view their work as a calling and an honor. The Silver State, by contrasts, believes it is important to remove the “burden of treatment” by cutting funding for mental health care and busing seriously mentally ill individuals out state.

Nevada officials seek to justify their use of Greyhound buses by claiming they have a large number of transients. No doubt that is true. But California attracts far more wandering souls than does Nevada.

To be sure, there have been outrageous instances of patient dumping in California. But mental health officials here find virtually no instances in which they bus patients to other states. When they do, their policy is to make sure that someone is at the other end to meet and care for the individual.

Nevada authorities cite patient privacy laws to support their claim that they can provide no details about how the individuals fare once they arrive in California. Our guess is that Nevada authorities have no clue what becomes of the individuals they place on buses.

Opinion: CalFire needs to go further with fire tax

By Ted Gaines

While I am pleased CalFire has decided to apply the brakes in order to sort this mess out, I will not give up the fight to repeal the fire tax altogether.

I just heard from a constituent this week telling me they were billed for two structures on a parcel of land that only had one home and the resulting battle it took to get CalFire to realize their mistake. It is absolutely unacceptable and another example of absurd government inefficiency.

Ted Gaines

According to news reports, CalFire has confirmed receipt of 87,000 petitions for reconsideration from homeowners who said they were billed in error. The agency plans to delay this year's fire tax bills while the challenges are investigated.

I have introduced three pieces of legislation this session that will provide relief for rural Californians forced to pay the fee.

Senate Bill 17 would altogether repeal the collection of the $150 tax.

Senate Bill 125 would exempt a property owner of a structure that is located both within an SRA and within the boundaries of a local fire protection district from having to pay the $150 tax.

Senate Bill 147 would exempt any property owner located within an SRA who has an income of less than 200 percent of the federal poverty level (as determined by the U.S. Department of Health and Human Services Poverty Guidelines) from paying the $150 fire tax.

This fire tax has been imposed on the owners of more than 825,000 properties in the state. According to Census and

CalFire data, my largely rural district includes nearly 25 percent or approximately 200,000 of the properties whose owners are subject to the fee.

The billing is in complete disarray and CalFire has been accused of stashing away millions in a secret fund. I hope my legislative colleagues realize that charging rural Californians a $150 illegal fire fee specifically to support CalFire operations, at the same time they are inappropriately billing for the tax and hiding millions provides enough justification to support my legislation.

I also strongly support the lawsuit filed this month against the state by the Howard Jarvis Taxpayers Association challenging the fee on constitutional grounds.

Property owners who believe they were billed in error have 30 days to appeal. Owners are encouraged to pay the "fee" while going through the appeals process. If the fee is late, steep penalties and interest are compounded monthly. Moreover, the fee is a lien on property, and failure to pay can result in foreclosure. For more information, call CalFire at 888.310.6447.

Ted Gaines represents the 1st Senate District, which includes all or parts of Alpine, El Dorado, Lassen, Modoc, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra and Siskiyou counties.

Letter: Ski patrol volunteers

indoors

To the community,

On March 4, members of the Heavenly Ski Patrol put aside their skis and put on Bread & Broth aprons to help feed local residents at the evening meal served at St. Theresa Church Grace Hall. The members of Heavenly Ski Patrol donated $250 to host the B&B Adopt A Day of Nourishment and five of their members volunteered to spend three hours of their personal time to work side by with the B&B volunteer crew.

Heavenly Ski Patrol, from left, Tom Burkart, Kristin Burghard, Chip Morrill, Sarah Lowman, Andy Johnson, at Bread & Broth. Photo/Provided

Heavenly Ski Patrol members work hard on Heavenly's slopes to ensure guests have a safe and fun skiing/boarding experience and the Ski Patrol volunteer AAD sponsor crew which consisted of Sarah Lowman, Kristin Burghard, Tom Burkart, Andy Johnson and Chip Morrill put in the same effort at their B&B dinner. They helped with the "give away" bags, served food to the dinner's guests, manned the dishwasher and helped with the dinner's cleanup. The B&B volunteers were very impressed with and enjoyed working with the Ski Patrol volunteers.

Bread & Broth salutes the Heavenly Ski Patrol for their great work ethic and their concern for the welfare of the less fortunate of our community. Their donation of time and money to the B&B program is greatly appreciated.

If you would like to join Bread & Broth in feeding the South Shore's hungry, please contact me at (530) 542.2876 or carolsgerard@aol.com.

Carol Gerard, Bread & Broth

Editorial: CalPERS charges long overdue

Publisher's note: ***This editorial is from the March 20, 2013, Sacramento Bee.***

If you read the full text of the federal indictment charging the former chief executive officer of the California Public Employees' Retirement System with fraud and conspiracy, it would appear he did nothing more serious than crudely cut and paste the CalPERS logo on his business card to create some phony letterhead.

But, according to prosecutors, the letterhead former CalPERS CEO Fred Buenrostro allegedly forged – and then signed and backdated – allowed his friend and benefactor Alfred Villalobos to collect $14 million in fees from a CalPERS investment partner, Apollo Global Management. The letterhead was used to create fraudulent "investor disclosure" letters that Villalobos needed to collect those fees.

Alfred Villalobos

CalPERS’ chief legal counsel and officials from its investment office had repeatedly refused to sign the letters, without which Villalobos could not be paid.

Just weeks after he signed the forged documents, the indictment says, Buenrostro retired from CalPERS and went to work for Villalobos, who lives in Stateline.

Prosecutors have charged Buenrostro and Villalobos with conspiracy, mail fraud and wire fraud. In addition, Buenrostro is charged with lying to investigators and obstruction of justice. The charges could send them to prison for more than 30 years. Neither man has entered a plea, but lawyers for both told the *Bee*‘s Dale Kasler that their clients were not guilty.

Still, the forged documents provide a smoking gun — strong evidence of a conspiracy that is simple and easy to prove in a court of law. Were the documents forged? Were they sent through the mail? Did one of the defendants lie to prosecutors about them?

But it’s the conduct underlying those documents that goes to the heart of the corruption that has engulfed the highest levels of leadership at the state’s $248 billion pension fund. Civil suit allegations filed earlier by the state and the federal governments against Villalobos and Buenrostro previously disclosed lavish round-the-world trips taken by Buenrostro and former CalPERS board member Chuck Valdes that Villalobos paid for.

Villalobos allegedly paid for Buenrostro's 2004 wedding at his Lake Tahoe mansion, treated him to stays at casinos in Lake Tahoe and China and even financed a Lake Tahoe condo.

Buenrostro and Villalobos are entitled to a presumption of innocence. But if they are convicted — and the evidence against them appears very strong — it shows dangerous rot at the very top levels of the state pension fund.

Even if not charged with bribery, a conviction would demonstrate that at least one CalPERS official was bribed over several years to steer billions of dollars of investment funds to Villalobos' clients.

Although CalPERS board President Rob Feckner said it "was a good day" when the indictments were announced, he was on the board when Villalobos and Buenrostro are alleged to have committed crimes. He and other sitting board members from that time bear at least some responsibility for the rot that infested the top ranks of this pension system.

Opinion: CTC comes clean about its parcels

By Patrick Wright

Lake Tahoe News recently published a letter from Ann Nichols (CTC needs to come clean about its parcels, March 17) sounding an alarm that the Tahoe Conservancy is on the verge of selling 400 environmentally sensitive parcels. Let me assure your readers and the community that the Conservancy has no plans to sell or leave unprotected any of the thousands of environmentally sensitive parcels that we have acquired since

1985.

In fact, the Conservancy board recently approved a set of guidelines to strictly limit sales of Conservancy-owned land. Under the guidelines, we will consider selling parcels only where they are not needed to achieve our conservation or recreation goals, or where state ownership is no longer necessary to achieve the goals of the original acquisition.

Patrick Wright

To date, the Conservancy has been proceeding cautiously, and the board has authorized staff to market the sale of just four properties, all in South Lake Tahoe. Two of these properties are currently listed for sale. One is a former clubhouse and conference center site adjacent to Heavenly Mountain Resort known as Tallac Vista. The Conservancy acquired this parcel in a settlement agreement to prevent the development of 150 condos and protect the environmentally sensitive area of the parcel. The Conservancy can no longer afford to maintain or upgrade the old clubhouse on the developed area of the site, and continued ownership of this residential-zoned parcel does not serve our mission.

The other parcel for sale is the former drive-in movie theater site on Glenwood Avenue. The Conservancy recently acquired this parcel through a land exchange with the city of South Lake Tahoe. We removed nearly 80,000 square feet of asphalt and restored the sensitive stream environment zone on the property, which also includes a potential home site on the less sensitive upland area of the parcel. Having achieved our goals of removing the coverage and restoring and permanently protecting the sensitive stream zone, we are now making the property available for sale to recover our costs and invest in other high priority projects and programs.

The Conservancy may also consider selling a small number of other parcels on the South Shore, including several parcels in downtown Meyers that we purchased for a visitor center that is no longer planned, and a couple of highly urbanized parcels at the Y. Sales of these commercially-zoned parcels would not only provide revenue to the Conservancy to invest in high priority projects and programs, but would support the development of sustainable, walkable and bikeable town centers.

The Conservancy takes its commitment to restore and maintain its conservation and recreation lands very seriously, and we encourage the public to read our guidelines and responses to frequently asked questions on our website.

Patrick Wright is executive director of the California Tahoe Conservancy.