

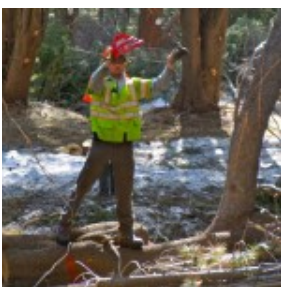
# Lake Tahoe fire districts question where money from Nev. Fire Safe Council is

By Anne Knowles

The Nevada Fire Safe Council is undergoing an audit after Lake Tahoe Basin fire protection districts complained they had not been reimbursed by the organization for hazardous fuels reduction work done as far back as two years ago.

The NFSC, a nonprofit that procures grants and provides funding for fuels reduction projects and other fire safety work, has hired Muckel Anderson CPAs, a Reno-based accounting firm, to audit the last three years. The NFSC's last audit, completed in January 2009, was for 2006.

The district complaints also triggered a series of payments from the NFSC that Andrew List, the Carson City group's executive director, said brings them almost up to date.



Money for work done in April at Lake Christopher in South Lake Tahoe has not all been paid.

Photo/LTN

"We are in the current calendar year," said List, meaning the outstanding balance owed is for projects completed in 2011. "We're waiting to receive grants money and we're working on it."

List said in the last week the NFSC sent out about \$500,000 to the various fire protection districts and is now less than \$200,000 in arrears.

The fire districts say the amount owed is higher.

"It was in the ballpark of \$1 million and as much as two years behind," Duane Whitelaw, fire chief of North Tahoe Fire District, told *Lake Tahoe News*.

The North Tahoe Fire District received a check for about \$100,000, said Whitelaw, but is still owed another \$200,000. Lake Valley Fire District received about \$80,000, with another \$70,000 still outstanding, according to Gareth Harris, Lake Valley's fire chief.

Mike Brown, fire chief for the North Lake Tahoe Fire District, said the district is awaiting payment for work done in 2010.

Asked if the NFSC has explained the delay in payments, Whitelaw said, "Not to our satisfaction."

The fire chiefs said fuels reduction work is ongoing and has not been affected by the reimbursement problems, but each said they would like to see the money faster.

"None of us want to float the money on our general ledger," Whitelaw said. "We're all anxious to get paid."

"We'd like to get paid quicker, and we'd love to see the process streamlined," Lake Valley's Harris said. "But it hasn't held us up."

Harris said Lake Valley fire crews were back at work in the area after spending five weeks in Arizona helping with the

state's historic wildfires.

In an unusual case, the NFSC has declined payment on an approved project.

The Lake Christopher project went close to 75 percent over budget, said List, and the NFSC board of directors has asked the South Lake Tahoe Fire Department for more information explaining the project's cost overrun.

List said they hoped to resolve the issue when more information is provided.

"I have a lot of respect for the contractor" on the Lake Christopher project, said List. "But we're trying to see why the project went so far over. It's a mystery."

Ray Zachau, South Lake Tahoe fire marshal, said the original estimate for the 48-acre project called for removal of 30 tons of material per acre, but once the contractor started working that grew to about 69 tons per acre. He said they gave the contractor the go-ahead to complete the project.

"We've been denied payment on work already done," Zachau said. "We're owed about \$170,000."

Zachau is concerned the NFSC is moving beyond what he sees as its charter to act as a financial agent for the fire districts into more of a technical role managing the projects.

"They've hijacked the process," Zachau told *Lake Tahoe News*.

The NFSC's audit was initiated last month and should be completed before mid-August, according to List. It will cover 2008, 2009 and 2010.

The NFSC receives the bulk of its money from U.S. Forest Service and the Bureau of Land Management, under the Southern Nevada Public Land Management Act, and has spent about \$5 million annually for the last three years, List said.

The Internal Revenue Service requires that a 501(c)(3), the IRS designation for a nonprofit, conduct an audit for any year in which it spends \$500,000 or more in federal grant money.

Asked why the group has not kept up with its audits, Joan Presley, chairman of the NFSC's volunteer board of directors and Reno fire marshal, said it had hired a California firm 18 months ago that never completed the audit, then had trouble finding another firm.

"It was an oversight," she said. "We made a mistake."