

Chateau project's water lines become an issue

By Kathryn Reed

Who owns the water lines at the Chateau site?

The answer is being debated. And until it's resolved, the necessary contracts to go forward with covering some of the concrete and rebar at the far eastern edge of South Lake Tahoe can't be signed.

When Lake Tahoe Development Company was going to build the convention center, two hotels and retail, it meant some infrastructure needed to go in to service those facilities. Under what is the foundation for the parking garage are 604-lineal feet of 12-inch sewer main, 240-lineal feet of 8-inch sewer main, 50-lineal feet of 6-inch sewer main, eight manholes, 2,700-lineal feet of 14-inch water line and 90.5-lineal feet of 6-inch water line.

Tahoe Stateline Ventures, the company created by property owner Bill Owens, believes South Tahoe Public Utility District owns the water lines. The district isn't so sure.



Water line ownership at the Chateau site remains unresolved. Photo/LTN file

"We didn't construct the water lines and we don't believe we own them," attorney Kara Thiel of Feldman-McLaughlin-Thiel told STPUD's board at the May 16 meeting. "Our contention is that TSV should not be burdened with ownership of the lines."

Those lines when they were put in in 2007 were never dedicated to the district. That is why South Tahoe PUD doesn't believe it owns the lines. However, the district has been using the lines.

While Thiel and Kevin Lane, consultant to the developer, were at Thursday's meeting seeking a contract agreement, the board unanimously said not so fast. The board wants to see what staff and legal counsel work out with TSV before agreeing to anything.

"I think there is a fair list of things to be settled. I want to see a response to it," board President Eric Schafer said.

He also said he remembers being "backed into a corner by the city" six years ago and expressed little desire to be bullied again.

Lane, who is the son of Randy Lane, one of the principals of the bankrupt Lake Tahoe Development Company that was to build what was to be a \$410 million project, said it's possible to get STPUD approval at the board's June 6 meeting so city permits could be in hand by the end of June. Construction of the proposed 30,000-square-foot of retail along Highway 50 from Stateline Avenue to about McP's Pub must start by July 15 or else the Tahoe Regional Planning Agency permits expire.

Another issue with the existing water lines is the party that has the drawings for where the lines are will not release them. This is because that firm was never paid by Lake Tahoe Development Company in the bankruptcy proceedings.

(STPUD had a third party inspect the water lines at the get-go, for which it has never been paid because of the

bankruptcy.)

Where future lines will go is another issue that has not been finalized. Those drawings are supposed to be provided to STPUD by Monday. The next phase that could start this summer includes about 330-linear feet of 14-inch water line.

A performance bond will be required by the district for the line.

The right-of-way is an issue for where the line will be placed. Still to be worked out is if the line is in the Caltrans right-of-way or if it would be put in under the yet-to-be-built sidewalk.

"I'm concerned about placing it under a sidewalk for future repairs," South Tahoe PUD attorney Gary Kvistad said.

Kvistad brought up another unresolved issue – the agreement between STPUD and Lakeside Park Association. Lakeside provides much of the water for that area. But it never had the capacity for this project.

STPUD was to provide all the water for fire suppression and potable water for Phase A. Lakeside was to provide potable water for Phase B. With the project being more than those two phases, a new agreement needs to be drawn up.

Kvistad also said the district will make sure the six parcels that are slated to be built on this summer have one parcel map. The city allowed construction to start on the 11-plus acre site six years ago without consolidating the 29 parcels.