

# Tahoe Keys Marina's troubles keep growing



This sailboat on July 4 had to go out on the left to have enough clearance in the water. Photos/Kathryn Reed

**By Kathryn Reed**

Tahoe Keys Marina is in a bit of turmoil. Lawsuits, OSHA investigations and financial troubles have been issues since the ownership change.

Donna and Robert Krilich bought the Tahoe Keys Marina in early 2009 for more than \$20 million. South Shore real estate agent Jean Merkelbach has a minority interest in the marina.

But the Krilichs and Merkelbach are now fighting each other in court. Neither party was available for comment.

In early 2013, the Krilichs bought the Fresh Ketch restaurant at the marina from longtime owner Bob Hassett. At the time, the El Dorado County Assessor's Office listed the value of the property and business at \$1,224,913.

Speculation among those dealing the marina is the owners will default on their financial obligations.

"I don't think we have filed bankruptcy. There has been some talks about it because of some of the litigation," Robert Krilich Jr. told *Lake Tahoe News*. Krilich runs his parents' Krilich Companies, which is based in Illinois.

The marina's attorney, Bob Anderson, said at this time bankruptcy is not going to happen.

The Safari Rose charter boat just left the Keys because of the low water level. It is now operating out of Round Hill Pines, which for the first season is run by Hasset.



Tahoe Keys Marina has been in trouble since the ownership changed five years ago.

The Tahoe Keys Marina never applied for a dredging permit from the Lahontan Regional Water Quality Control Board. Lake Tahoe's water level continues to drop because of the prolonged drought. This means some boats won't be able to get out of or into the marina.

The U.S. Coast Guard, which has a station in Tahoe City, has not yet told the marina operators to warn boaters of the low water level.

Boats besides the Safari Rose are abandoning the marina because the channel is getting too precarious to navigate. On Fourth of July the marina had someone at the entrance of the

channel into the docks warning people how to navigate the water. People in the condos were also helping, including directing some boats to stay on the left side to get out because that is where the deepest waters are. (New this year, the marina closed the launch at 9pm instead of midnight on July 4. A worker had no reason for the change.)

Vendors are also complaining they are not getting paid by the marina.

Anderson, the marina's attorney, has his hands full with legal issues involving the marina. A 21-page 1991 agreement between the marina, Tahoe Keys Property Owners Association, and Tahoe Keys Beach and Harbor Association is at the center of one dispute. The document dictates how the three organizations work together, who pays what to whom and for what. Potable water and water quality are two key issues.

The disagreements have only arisen since the Krilichs took over the marina.

The Krilichs are familiar with the court system – civil and criminal. In 2013, they won a multimillion-dollar lawsuit over a land deal.

Locally, the problem is the marina owners are accused of not paying the bills TKPOA has submitted.

Scott Brooke, the attorney representing TKPOA, deferred comment to the association. However, interim General Manager Dan Moore did not return multiple phone calls.

Anderson also did not want to speak about the disagreements.

These aren't the only troubles for the marina. The Cal-OSHA investigation is continuing. The state Occupational Safety and Health Administration opened the investigation earlier this year regarding how equipment is maintained and other safety issues.

South Lake Tahoe building officials have also been on site.

“We didn’t find anything of imminent danger,” Dave Walker with the city’s building department told *Lake Tahoe News*. “There were some minor things.” He said nothing was so egregious to warrant needing to shut down any business.

But Walker admitted it is hard to completely match up all the permits the city has issued and the work that was done.

“They have pulled quite a few permits over the years. When you go back 25, 30 years the description on the permits is limited so it is hard to see how much is permitted (compared to the) scope of work,” Walker said. “It would be very tough to nail down every little change. There are lots of plans, lots of permits. That’s why we kept mainly to life and safety issues. We didn’t see anything that would jeopardize anybody.”

One business practice Walker said has to stop is the marina has been using two of three residential units as vacation rentals. This is illegal.