

Nevada lawmakers not letting bankrupt fire safe council fiasco go without a fight with feds



The tree removal project in 2011 at Lake Christopher in South Lake Tahoe got caught up the fire safe council money debacle. Photo/LTN file

By Anne Knowles

CARSON CITY – Despite efforts by the Nevada Legislature to press the federal government for money, fire districts, contractors and some homeowners in the Lake Tahoe Basin remain unpaid for \$3.4 million in fuels reduction work completed as long ago as 2010.

“It’s been over half a decade. It is absolutely absurd, just unbelievable what’s going on,” Nevada state Sen. James Settelmeyer, R-Minden, said Monday during a meeting of the Legislature’s interim committee that oversees the Tahoe Regional Planning Agency and Marlette Lake Water System.

The fuels reduction work was to be paid for through grants from the U.S. Bureau of Land Management and the U.S. Forest Service administered by the Nevada Fire Safe Council.

But starting in 2010 the NVSFC became slow to pay contractors and the U.S. Department of Agriculture's Office of Inspector General investigated the group after receiving a tip in July 2011. *Lake Tahoe News* broke the story that summer.

The OIG released a report in **January 2012** saying it found that the NVFSC inappropriately deposited money from multiple grants into a single bank account and recommended that all funds be frozen until NVSFC performed audits and demonstrated it was acting properly.

Eventually, NVSFC **filed for bankruptcy** and its case remains mired in the courts.

Michael Brown, fire chief for the North Lake Tahoe Fire District, testified at the Nov. 30 committee meeting saying that the fire chiefs of the Lake Tahoe Basin conducted their own investigation and found that NVSFC had used USFS money to pay for BLM-funded projects.

"No criminal activity was ever uncovered by the audits and investigations. They co-mingled the funds and paid out with grants that should have been paid out with other grants," Brown told the committee.

The fire districts and the money owed each include Lake Valley Fire Protection District, \$248,759; Meeks Bay Fire Protection District, \$403,378; North Lake Tahoe Fire Protection District, \$635,118; North Tahoe Fire Protection District, \$379,666; and Tahoe Douglas Fire Protection District, \$386,440.

More than a dozen contractors are owed, most for between \$10,000 and \$20,000 and one, Kimball Tree Service of South Lake Tahoe, for \$100,015.

"We'll survive," said Brown, referring to the fire districts. "It's the contractors not surviving. I got two calls just last week asking about the payments. One is out of business and the other is just hanging on."

Still, the fire districts have suffered, too. Brown told *Lake Tahoe News* that while his firefighting and emergency response team is holding steady at 52 employees, he has had to reduce his fuels reduction team from 60 workers to 36.

During this year's legislative session, the Nevada Legislature passed Assembly Joint Resolution 3, urging Congress to facilitate the release of the money.

The committee passed a motion Monday to send a letter to the state's congressional delegation to update the interim committee on the funds.

"I support the letter," Assemblywoman Robin Titus, R-Wellington, said. "But I am concerned sending letters is an exercise in futility."