Opinion: EDC pension prognostication pitfalls

By Larry Weitzman

In the *Sacramento Bee* was a recent front page article showing that 33 percent of metro fire retirees earn more than $100,000 a year in retirement, 216 out of 657 retirees. In fact, 13 of those retirees received more than $200,000 a year. It is an unsustainable system. And situations like this are occurring all over the state. It's a result of unions controlling government. Thank you Gray Davis.

Larry Weitzman

El Dorado County has its own pension mess and our pension plan isn't even as generous as many jurisdictions in the rest of the state. But El Dorado County is in deep trouble because of the rapidly rising pension contributions that are going to be required. It means the cutting of senior programs, the further decay of our county maintained road system and reductions in public safety based on current projections. This isn't going to be a train wreck; it's going to be a train catastrophe.

It's a result of too optimistic rates of return (called the discount rate) that CalPERS based its generous growth upon. That discount rate was recently revised downward marginally but it's still not even close to real discount rate recommended by conservative actuaries of 6.2 percent. The projections as done in the most recent actuarial report projects a drop in the rate of return (discount rate) to 7 percent over a three-year phase in starting in the 2017-18 fiscal year where the rate is reduced to 7.375 percent which reduces to 7.25 percent for 2019-20 FY and 7 percent for the 2020-21 FY.

Because of EDC’s huge unfunded accrued liability, pensions contributions will skyrocket for miscellaneous employees and public safety employees. Actuaries projected EDC to spend roughly $96 million in total miscellaneous employee salaries (17-18 FY) and about $30 million in public safety employees annually.

Miscellaneous EDC contributions grow

Salaries for this group is expected to grow by $5 million for 18-19 and by $3 million for every year thereafter through the fiscal year 24-25 at which time projected salaries will be about $121 million. But adding to these projections is a 56 percent growth in the employer contribution rate from 19.6 percent for the 17-18 FY to 30.7 percent for the year 24-25. The actual contribution from the taxpayers of EDC will grow from about $19 million (17-18 FY) to a little over $37 million for the year 24-25.

But it is a continuing growth in between as 18-19 grows to $22 million and so on. The total increase in pension contributions that will be required from the taxpayers over the next seven years is now estimated by the actuaries to total about $81 million alone. The growth in salaries is estimated to be $104.5 million. These numbers combine for a total increase in salary and benefits of $185 million.

And I haven’t even told you of the bad news from the public safety side of the equation.

Public safety growth

The current contribution for pensions on public safety is 38 percent of the salaries which is projected at $30.5 for the year 17-18, which amounts to $11.6 million. Salaries are expected to grow to $38.5 million by FY 24-25.

The gorilla in the room becomes the projected 53.4 percent pension contribution or $20.5 million for year 24-25 in addition to the salaries. The increase in total public safety contributions will be $41.2 million from the base year of 17-18 through year 24-25.

When you add the two increases in pension contributions (miscellaneous and public safety) together, they total is $122.2 million in additional pension contributions that will be required over the next seven years alone over the base year (17-18). If pension contributions remained constant for the next seven years, the total would be about $214 million from county taxpayers. With the new actuaries, that new number projects to be about $336 million. And that is not including salary growth.

Salary growth is projected to be an additional $126.5 million or an amount just about equal to the amount of pension growth ($122.2 million) over the next seven years. The total growth will be about $248.7 million. That means county revenues would have to grow by an average of more than $35 million a year. Current General Fund revenue growth using the new EDC budget numbers show a growth rate of about 3 percent or $8 million annually from 2017-18 revenues of $248 million to $278 million for the year 21-22.

Projecting that growth to the year 24-25 the total extra revenue over the base year of 17-18 is about $212 million. In other words, EDC will still be upside down by about $37 million at the end of seven years just from additional salaries and pensions contribution requirements. There will be other cost increases as well, so $37 million may turn into well over $100 million.

And if the actuaries are correct and the rate of return should be at 6.2 percent, that $100 million will double or more.

Life expectancies are also considerably understated as well, further exacerbating the problem with unknown consequences.

As Rep. Tom McClintock, R-Garden Valley, said CalPERS enhanced pension benefits were based on "wildly unrealistic predictions of CalPERS future performance." And as you can see even with the new lowed discount rate, it is still wildly optimistic.

It is so bad that the California state government identifies unfunded CalPERS liabilities at about $242 billion, while economists at the Hoover Institute calculate the real number at $769 billion, over three times the amount. Someone is not telling the truth and the size of the lie is about four times the state's annual total budget. One Stanford study says the gap is almost $1 trillion, or about $77,000 per California household.

In a prior column from 2016, I wrote that the total increase in pension will grow by about $63 million over the next six years. Well, as you can see the problem just almost doubled (to $122.2 million) in just one year as EDC's total unfunded liability to CalPERS have grown to $346 million as of June 30, 2016, an increase in just one year of $65 million or about 25 percent of total unfunded liabilities. The numbers have become mind boggling as well as unfathomable. The situation might become the biggest fiscal disaster ever to face any state government, a Hurricane Harvey in dollars, maybe more. And making matters even worse is the CalPERS discount rate is still way too optimistic meaning even with these increased contributions, it will not solve the problem. It will continue to get worse. And EDC in better shape than most other jurisdictions.

Several solutions are necessary in combination. Work forces all through the state have to be cut. Salaries have to be cut and finally the CalPERS pension system is in need of immediate reformation. This is a perfect example of an irresistible force meeting an immovable object. Otherwise, the best business to be in for lawyers will be chapter nine (municipal/county) bankruptcies. There will be hundreds of them.

Larry Weitzman is a resident of Rescue.

Opinion: Improving lake clarity is a group effort

By Joanne Marchetta

Lake Tahoe is known around the world for its crystal-clear water. For several decades, Tahoe's clarity, which measured more than 100 feet in 1968, was declining each year because of stormwater pollution from poorly planned development and the lingering effects of historical activities such as cattle grazing and logging.

Joanne Marchetta

Clarity reached an all-time low of 64 feet in 1997, sparking fears that Tahoe's clarity could be lost forever. But it also galvanized the federal government, the states of California and Nevada, local governments, and the private sector to launch the Lake Tahoe Environmental Improvement Program, a collaborative partnership to invest in projects that reverse clarity loss and address other environmental problems.

Partners in the Tahoe basin are working together to restore the lake’s clarity by reducing stormwater pollution from roads and communities and by restoring meadows, wetlands, and streams important to the lake’s health. That work is paying off. As of last year, Tahoe’s five-year average clarity measured 73 feet.

We still have a long way to go in restoring Lake Tahoe’s clarity to historic levels, but the long-running, year-after-year declines in Tahoe’s clarity have been halted. Scientists estimate that without all the work done over the last two decades clarity would have continued to decline each year and be 20 feet worse than it was in 1997.

Tahoe met a major milestone this summer through the total maximum daily load (TMDL) program, a science-based plan administered by the Lahontan Regional Water Quality Water Board and Nevada Division of Environmental Protection to reduce stormwater pollution and restore Tahoe’s water clarity back to its historic level of 97.4 feet by 2076.

Through the program, local governments and highway departments are making significant progress to reduce stormwater pollution. Every option is being pursued: Upgrading roads with curb, gutter, and infiltration basins; area-wide projects that capture and treat stormwater; more street sweeping; better management of traction abrasives applied to roadways; and restoration of natural areas that help improve Tahoe’s water quality.

Working together over the last five years, TMDL partners have reduced fine sediment pollution by 12 percent. That’s 268,500 pounds of fine sediment particles—about 70 dump truck loads—that will no longer wash into the lake and cloud its waters.

In that same five years, TMDL partners reduced the amount of phosphorus pollution entering the lake by 8.5 percent and the amount of nitrogen pollution entering the lake by 6 percent. It is important to keep these nutrients out of Lake Tahoe, where they fuel algae growth.

Through the TMDL program, partners around the lake have taken proactive steps to reduce stormwater pollution. They have shown that we can reduce pollution to restore Lake Tahoe’s famous clarity, and the lake is responding favorably.

While we are making significant progress, we face many challenges. Foremost among them is climate change. Each of the last three years was among the warmest on record for global surface temperatures, and this summer is on track to be one of the warmest on record in California.

Warming air and water temperatures at Tahoe threaten to disrupt the lake’s environment and ecosystems, and upset the delicate balance that has governed the lake for thousands of years. This poses major challenges for restoration initiatives and makes it all the more important to keep fine sediment, phosphorus, and nitrogen out of the lake.

Please join us in working to protect and restore Lake Tahoe’s famous clarity. Install best management practices at your home or business to prevent soil erosion and stormwater runoff. Walk, bike, or take the bus instead of driving. If you have a lawn, don’t over-fertilize or use phosphorus-only fertilizers, and consider getting rid of the lawn for native vegetation that doesn’t require excessive watering or fertilizers. Pick up after your pet while enjoying Tahoe’s trails and beaches. Join the League to Save Lake Tahoe’s Pipe Keepers program to help monitor stormwater outfalls, or the Eyes on the Lake program for training on how to identify and report aquatic invasive species in the lake.

By working together and everyone doing their part, no matter how small, we build on our progress. Together we can make sure Tahoe's treasured clear waters are not only passed on, but improved, for future generations to enjoy.

Joanne Marchetta is executive director of the Tahoe Regional Planning Agency.

Opinion: The truth about vacation rentals

By Jim Morris

I read with great interest Mayor Austin Sass's recent column of how he and Wendy David have been living, sleeping, and eating the VHR issue for over two years. I internalized these words and reflected how we, as responsible vacation home rental managers, have been dealing with inept City Councils and city management for over 12 years.

Jim Morris

Back in 2003, our industry was blindsided by an ordinance that was drafted and conceived by a half-dozen locals and a city attorney meeting in secret ready to set upon our legitimate tourism industry. We immediately organized and, together with prominent business owners and chamber members, sought input to legislation which could have destroyed our livelihoods. After months of stakeholder meetings, an ordinance was crafted which attempted to placate the anti-VHR crowd and allowed our commerce to continue. A permit fee of $50 per year was required to cover administration of the ordinance. Now it is as much as $800 in many cases. Fines have gone from $250 to $1,000 under the current proposal.

For years our industry requested that citations be given to any disrespectful tenants who have broken the rules of the ordinance, but the city and the police department said they couldn't unless the reporting party would sign a complaint as a police officer could not have his peace disturbed. We did not feel that it was fair to a home owner/management company to penalize them when they had used "best efforts" to prevent unruly behavior by the renters. Finally, after 10 years, the city figured out a way to cite the tenants, but they were still intent on punishing the owners even though they have obtained proof in writing that the guests were informed of the rules about city regulations.

The city police department never did take the ordinance seriously for over 10 years as they didn't even do the basics in informing the owners or management companies of unruly tenant behavior. In the numerous rewriting of the VHR ordinances, there was never a year reported by the city that VHR complaints exceeded 200 per year. This is an extremely low figure as over 20,000 calls per year are received by police dispatch. The latest number reported by the police department indicates that only 33 citations were given in the previous 13 months involving verified VHR violations.

Mayor Sass and other council members agreed to a "socio-economic study" to assess the seriousness of the problem at the urging of the VHR industry. The report came out this spring resulting in a “made as instructed” report by the city. It was seriously flawed as the consultants failed to perform the economic study due to “their inability to obtain reliable statistics” as quoted by the consultants. The data used in their study on reported violations was in error by 400 percent based on a computer program glitch created by the city administration. Verified noise complaints per year are 2 percent of the total vacation rentals, approximately 1,500 total rentals in the city.

The mayor, city manager and city attorney are totally into their genius mentalities as they have discovered the Googling art of finding ordinances created by “similar” cities such as Santa Monica, San Diego, etc. They are now trying to intimidate our two newest council members into approving the knee-jerk proposals suggested by any member of the public who has an opinion. They include occupancy restrictions from 25 percent to 50 percent without any analysis to actual citations and disturbance complaints. A saturation model was proposed without any study of the actual geography involved. There was no discussion of the crazy sensitivity of neighbors who are disturbed by the sound of suitcase wheels on the sidewalk.

The current city manager, mayor and pro-tem mayor want to create a verdict before any trial has occurred. They want to deny permits to any property owner who has never been given a chance to manage his or her vacation rental by imposing a moratorium on future permits. They also want the denial of permits to the unfortunate owner who happens to be within 250 feet of an existing permitted rental.

The city administration raised permit fees by $500,000 to add two community service officers to the police department and in more than two years we are only able to hire one individual to handle less than four calls per week year-round.

The vacation rental industry provides $3,500,000 per year to the General Fund of the city. The city is already in a deficit due to mismanagement of retirement funds and exorbitant benefits provided by prior councils. Don't you think the council has an obligation to know the economic impacts of serious restrictions in one of the only growth industries in the city? Again, we ask the question, "Who owns the all year playground?" Maybe it is the citizens of the world and not the few locals that accumulated enough money to buy a piece of the lake and keep it all to themselves.

Jim Morris is a 30-year resident and president of Lake Tahoe Accommodations, a company producing 10 percent of the total VHR transient occupancy taxes to the city and managing 80 city properties without a VHR fine in 14 years.

P.S. – Mayor Sass has said that there is a group ready to put this issue on the ballot and if this happens then it will get very ugly. I have more confidence in the level headed citizens of South Lake Tahoe than I have in the misguided views of two council members. We don't believe that an election would destroy one of our greatest tourism attractions. I say "bring it on" as the VHR detractors will never accept any compromise until they get their chance to destroy our legitimate industry at the ballot box.

Letter: NTPUD article misleads the public

To the community,

Duane Whitelaw, the manager of the North Tahoe Public Utility District (NTPUD), Aug. 31 column regarding the potential 70-year lease of the North Tahoe Event Center to one of Laulima Partner's LLC's was full of spin and factual omissions. Don't the NTPUD ratepayers deserve the whole story? We do.

The event center $90K yearly loss is a small portion of the Parks and Recreation $1.5M 2016 budget operating loss. The $1.5M is before depreciation and the Mellos Roos tax contribution. The Tahoe Vista Boat Launch loses $75K/year and the Boys and Girls Club cost $125K/year.

It is clear some of the board and management don't like the event center.

There is no guarantee of affordable accessibility with Laulima et al. What they will charge is up to their "good faith business judgement." After supposedly injecting $5.6M into the place it is doubtful a local 25 percent off discount will be affordable.

Yes, more than a dozen public meetings have been held, but the public didn't know the terms of the lease until Sept. 7 after almost two years of secret negotiations. Now the public only has less than a month before board approval to digest a draft lease full of errors and incorrect references. The NTPUD legal team, Ethan Walsh and Josh Nelson of BB&K, should be ashamed. At last week's workshop, Walsh sounded more like a salesman than someone hired to protect the NTPUD ratepayers.

Although Laulima initially said they would pay $200K/yr for the lease; now it starts at $50K/yr for the first year leasing 16,000 square feet and then goes to $75K for years two and three; $100K for years four and five, $126K for years six and seven; $165K doesn't start until year 10.

It runs from 26 cents to finally 85 cents per square foot per month in year 10.

The Citizen Advisory Committee will only be able to make recommendations to Laulima. There is no teeth for enforcement.

The NTPUD is trying to eliminate a relatively small operating loss (what community centers make money?) in return for huge potential financial liability for the ratepayers. What if Laulima fails to complete their project or files bankruptcy and the ratepayers have to finish? Is 110 percent bond enough for interest and delinquencies. It wasn't for the Cal-Neva bankruptcy.

Laulima et al is proposing to develop a deck on top of the event center. This will be a discretionary approval because it's located in an environmentally sensitive lakefront location. Who will pay for that? Us? What about the environmental study and parking?

NTPUD justifies this all by a bogus survey sent to ratepayers last year that was frankly incomprehensible. What should have been asked of ratepayers is, "are you willing to contribute $27/year to support the event center?" I would have resoundingly answered yes.

Under the current NTPUD management and board, we have lost control of the Kings Beach Recreation Area Parking lot and the Dollar Hill Firestone property. Now they want us to lose the eventcenter to any of nine LLC's associated with Laulima Partners. One of which is Laulima Northstar, LLC. Ouch.

The final meeting for NTPUD regarding the North Tahoe Event Center is Sept. 12 at 5:3pm at the center.

Ann Nichols, North Tahoe Preservation Alliance

Letter: Facts should govern immigration laws

To the community,

Main stream media and the former Obama administration have done a good job of misleading people by not telling the whole story, because division, deceit and disruption is the game of choice for liberals and progressives, regardless of the costs or risks to Americans and our republic form of government.

DACA, the illegal Dreamer's Act, is a perfect example: From Day 1, Obama's DACA program was unconstitutional and even acknowledged as such by Obama on a number of occasions, warning that DACA could not guarantee that the Dreamers were not still at risk of being deported. But remember, 2012 was an election year and it was worth giving a certain segment of the population false hopes.

Trump though, gets all the heat, because he is living up to his campaign promises. First to uphold the Constitution; second for immigration reform and next to strengthen the borders, with more border patrols and a wall. Since 2012, it is both a majority held Democrat and Republican Congress who have failed to do something about immigration. Congress makes the laws and Trump is calling on both sides of the aisle to start doing their jobs and do so quickly.

His action is similar to that of the effort to repeal and replace Obamacare. Both Democrats and Republicans have had years to fix the problems. Again, another program that from the beginning, was destined to fail, even according to its own architect.

Again, DACA is unconstitutional, but yet, Janet Napolitano, who as President Obama's Homeland Security secretary created the DACA program and now as the president of the University of

California, is leading the school systems lawsuit demanding the program be reinstated. So, California taxpayers are paying for a legal action against a program that has already been deemed unconstitutional.

Remember also, it was just last April, when an audit revealed that the University of California hid a “stash of $175 million in secret funds while its leaders requested more taxpayer money from the state.” Napolitano’s office claimed the true amount was $38 million. Reportedly Napolitano said the money “was held for unexpected expenses such as emerging issues like increased support for undocumented students.”

In 2014, at a town hall, Hillary Clinton was asked about illegal immigration, she told the audience member; “just because your child gets across the border, that does not mean the child gets to stay.” She continued, “so, you don’t want to send a message that is contrary to our laws or would encourage more children to ,make that dangerous journey.”

It was in 2006, when Obama, Biden, Clinton and Schumer, were among 26 Senate Democrats who voted in favor of 700 miles of fencing along a stretch of lands on the border of Mexico. Obama said, “It would help better fences and border security along our border and help stem some of the tide of illegal immigration to this country.”

It is time for Americans to decide if we are going to remain a nation of laws. Open your minds. The internet is a powerful resource to search out the truth and find out the whole story. Lastly, tell your representatives in Congress to stop kicking the can down the road and do the job you elected them to do.

Terry Gherardi, Cameron Park

Letter: Summer reading program a success

To the community,

The South Lake Tahoe Library just wrapped up our Summer Reading Challenge, which encouraged children, teens, and adults to read all summer long. Over 300 patrons registered, logging a total of 3,990 books, and earning a total of 1,055 prizes.

We would like to thank the many businesses and organizations that donated prizes and funds.

Prizes that children could choose from included gift certificates from Applebee's Restaurant, Blue Dog Gourmet Pizza, Heavenly Village Cinema, Jamba Juice, Modern Makers, McDonald's, and Tahoe Bowl. For the adult program gift certificates were donated from Gaia-Licious Global Gift Boutique, Knits & Knots Tahoe, Port of Subs, Wildwood DIY Boutique, and Yellow Submarine. Thank you to all of these businesses for their generous donations.

This summer we had four performers and the South Tahoe Optimist Club generously sponsored two of those performers. The Kiwanis Club of Lake Tahoe also gave a monetary donation to help purchase additional prizes. All other performances and prizes were made possible due to the wonderful support from the Friends of the Library.

On behalf of the South Lake Tahoe Library, I want to say thank you again to all of these businesses and organizations for supporting our library and the community that we serve.

Sincerely,

Kimberly Diebolt, library assistant at South Lake Tahoe

Opinion: Make better decisions on spending ski money

By Julie Brown, Powder

I don’t think twice about buying a season pass. It’s a line item in my budget and as important to my happiness as a roof over my head, and unless my friends decide to mass migrate to another mountain, I’m probably going to stick with the resort I’ve skied at my entire life. But lately, in a year as politically active as this one, I’ve been wondering whether, as skiers, we should be thinking more about where we spend our dollars, and how we can support the businesses that pay it forward to our communities and environment—and that includes where we buy our season passes and lift tickets.

This year has been a strong example of consumer activism, a textbook tool of social change that is as old as the American Revolution and the boycott on British goods. Last spring, Patagonia spearheaded a movement in the name of public lands to take the Outdoor Retailer tradeshow out of Utah, landing a $45 million hit on the state’s economy. When Uber continued to provide service to JFK airport last winter on the night President Trump’s travel ban was first announced, the #DeleteUber movement caused the business to lose 200,000 clients.

Skier dollars matter, too, especially right now when the ski industry is becoming more corporate (which means business decisions are more removed from local communities) and the stakes of climate change are becoming more critical. We don't have to boycott ski resorts. But we should be more informed about the resorts where we ski, and whether their practices deserve our business.

Read the whole story

Opinion: Where's the safest place in Calif. to live?

By Shawn Hubler, Sacramento Bee

Last week, as Los Angeles burned, San Francisco baked, Houston reeled amid biblical flooding and the Florida Keys braced for Hurricane Irma, David W. Titley picked up his phone on the other side of the country and cut to the chase.

"Forty north," the Penn State University meteorology professor of practice told me, almost before I'd asked the question. "I'd basically look at being north of that."

My query was one many of us are wondering about in this age of mounting natural disasters: If climate change is a given, what's the best place to live? Or, maybe, the least-worst?

Read the whole story

Opinion: Calif. fights feds over states’ rights

By Dan Walters, CalMatters

California’s Democratic state government is exerting “resistance” to the Republican federal government on issues such as immigration and climate change.

California insists, under the doctrine of “states’ rights,” that President Donald Trump and a Republican Congress should not interfere with state policies on those and other issues that reflect Californians’ views.

Dan Walters

Meanwhile, however, the state finds itself facing similar conflicts with its own local governments over attempts to force them to comply with decrees from Sacramento.

A prime example is an effort by Gov. Jerry Brown and Democratic legislators to compel cities to build more housing.

Although the state has long set paper quotas for housing construction, they lacked enforcement teeth. That has allowed cities to ignore the quotas when projects faced, as they often do, opposition among current residents, a syndrome known as “not in my backyard” or NIMBY.

With new housing construction generating barely half of the projected annual need of 180,000 units, Brown and lawmakers are negotiating details of legislation that would overcome NIMBYism and compel cities to approve projects meeting certain criteria, thus eroding their traditional land use powers.

City officials don’t like it. The League of California Cities says the governor’s streamlining proposal violates “the principles of local democracy and public engagement,” thus echoing complaints from Brown and other state officials about high-handed federal decrees.

Housing policy is not the only point of friction between state and local officials. For instance, members of the Los Angeles County Board of Supervisors, Democrats, are complaining loudly about a pending measure that would radically change the county’s governing structure, saying it heavy-handedly violates local control.

Senate Constitutional Amendment 12, carried by Los Angeles County Sen. Tony Mendoza, would expand the county’s five-member Board of Supervisors to at least seven members after the 2020 census and, most importantly, shift much of its power to an elected county executive.

Many other examples abound, and one of the most significant is Assembly Bill 1250, which would virtually prohibit counties from using private contractors or even non-profit groups, from providing county services.

The bill, carried by Assemblyman Reginald Jones-Sawyer, D-Los Angeles, and backed by a powerful coalition of public employee unions, is supposedly aimed at making counties more efficient and accountable. However, it’s evident that its true motive is protecting unionized civil service jobs from private sector competition.

The bill, which has cleared the Assembly and is pending in the Senate, is being stoutly opposed by the California State Association of Counties as unwarranted state interference in local affairs.

However, the criticism is not confined to the counties themselves. The Senate Governance and Finance Committee's staff analysis declared: "AB 1250 erodes local officials' ability to manage local affairs, making it hard for them to preserve essential public services during tough financial times. Local elected officials are well-positioned to judge the merits of a service contract and can either negotiate better terms or reject a contract altogether."

That did not prevent committee approval on a party-line vote, however.

The more important criticism is coming from Gov. Brown's Department of Finance, which is opposed because "it applies a one-size-fits-all approach to contracting for personal services that could severely restrict the ability of counties to provide services in an efficient manner (and) makes sweeping change…when the extent of the problem is unknown."

That pretty much parrots what Brown and other California politicians have been saying about sweeping, one-size-fits-all decrees from the Trump White House and the Republican Congress.

Do as we say, not as we do?

Opinion: Tell NTPUD board to say no to Laulima

By Ann Nichols

Come to the events center Sept. 7 at 5:30pm to express your concern to the NTPUD board.

The 70-year proposed lease (30 years plus two 20-year options) of the North Tahoe Event Center in Kings Beach to Laulima LLC or any of their many affiliates creates huge district liabilities for North Tahoe Public Utility District (NTPUD) ratepayers in the following ways:

1. $43,600 NTPUD attorney’s fees already spent as of Aug. 31.
2. Long-term lease, really a disguised sale will require a legal validation action with the state of California which is estimated at $40K-60K additional and there may be appeals that the ratepayers will be on the hook for.
3. It may be over two years before rent commences (in two years it begins at 22 cents per square foot; what a deal) and a further unknown amount of legal fees during that period.
4. What about the years of losses due to poor existing NTPUD management and two more years of the same during Laulima’s attempt to develop the center?
5. Laulima LLC is also associated with Laulima Northstar LLC”which begs the unanswered question of who will ultimately benefit from the lease, Northstar or some other unknown principal or subdivision? The loss of our lakefront venue is priceless.
6. Once the lease is signed before vetting financial capability or experience, ratepayers are already on the hook for future litigation when the agreement fails to go as promised.
7. Ratepayers may have to finish an unfinished project or pay off mechanic’s liens. A 110 percent performance bond won’t cover the penalties and interest from a bankrupt LLC and an unfinished closed structure.
8. Laulima or whoever they designate claim they will spend $5.6M on the events center. Don’t ask me or the board how as Laulima has not provided a design to review.
9. The NTPUD is not considering the financial responsibility of a California Environmental Quality

Analysis which could be required for the traffic impacts alone. How much will that cost the ratepayers?

The $90K/year loss from a poorly run events center will pale against the huge liabilities the NTPUD board is proposing with this misguided association.

Ann Nichols is with the North Tahoe Preservation Alliance.