

MV gets court to freeze South Shore transit agency's assets



By Kathryn Reed

Even though the South Shore bus system's assets have been frozen by a Nevada court, the interim operator lined up to take over at noon Sunday has said it will still do so.

On Wednesday, District Court Judge Dave Gamble froze South Tahoe Area Transportation Authority's assets, bank accounts and fare box revenue per the request of MV Transportation.

MV and STATA have been at financial odds for most of their relationship. They can't even agree on how much STATA is in debt. STATA says it's close to \$2 million. MV says it's closer to \$3 million.

The Fairfield-based company has filed suit in Minden because STATA is based in Stateline. The suit is to recover the cash it believes it is owed.

"This is a very unfortunate situation that we find ourselves in, but what is further disappointing is STATA's deliberate and blatant disregard for the binding agreement it has with our company to fully pay us for services rendered," Kevin Klika, MV's COO, said in a press release. "STATA left us no other option but to file a lawsuit when it was made very clear earlier this week the agency had no intention of paying us in full."

MV signed a three-year contract last summer to run the day-to-day operation of the bus service on the South Shore that includes BlueGo, Heavenly ski shuttles, Nifty 50 Trolley, routes to Carson City, and service into Carson Valley.

Everything came to a head in May with MV demanding it get paid and threatening to suspend service, and STATA then severing the contract. MV fired back this week with the court order.

STATA's attorney, Mike McLaughlin had a telephone hearing with Gamble on Friday morning asking him to set aside the order. Gamble said no.

The STATA board had an emergency meeting on Friday at 2pm, though *Lake Tahoe News* was never officially notified of the meeting, which would have been normal under opening meeting laws. Representatives of Transit Resource Center (TRC), the consultant working for STATA that will take over running the buses on June 20, were at the meeting.

"Even though MV will no longer be operating the buses on Sunday, BlueGo will continue on. Riders will not have any interruption at all in their service," Stacy Dingman, STATA spokeswoman, said after the closed session meeting. "We are thrilled that we are able to keep our commitment to the entire community."

When McLaughlin was asked prior to the meeting how the bus system would be able to keep operating with frozen bank accounts, which means not being able to pay TRC, he said, "That is the million dollar question."

It has not been made public what the agreement with TRC is now that STATA can't pay that bill either.

McLaughlin said it is possible STATA could issue a bond that would bring it cash to cover some of the debts. He said calls have been placed to bonding companies to inquire about options.

MV's latest actions caught most everyone involved with STATA off-guard.

"I was surprised because as MV knows there are federal funds

in that account. The law states you cannot attach federal funds, so those funds should not have been attached to the order," McLaughlin said.

McLaughlin hopes all parties can be seen by Gamble next week to speed the process along to find a resolution satisfactory to all sides.

MV officials did not return phone calls Friday.