

South Shore bus agency maps route to bankruptcy court

By Kathryn Reed

Another major entity on the South Shore is headed for bankruptcy. Joining the failed convention center in debtors' court is South Tahoe Area Transit Authority.

The board, at least those members who showed up for the Aug. 13 meeting, unanimously agreed to file for Chapter 11 bankruptcy in Nevada.

With bills topping seven figures that can't be paid, the agency that runs BlueGo buses on the South Shore and in the Carson Valley is ready to reorganize. Like all Chapter 11 filings, the creditors will have a say in the outcome.



Bankruptcy is not supposed to affect BlueGo bus service.

Photo/Kathryn Reed

MV Transportation out of Fairfield is owed the largest sum. However, that dollar figure is in dispute. MV says the total is close to \$3 million, while STATA says it's closer to \$2 million. Either way, STATA doesn't have the money to make good

on that debt.

Tahoe Regional Planning Agency is owed at least \$50,000, though an exact figure could not be secured. Legal fees are also mounting.

Things have only gotten worse since MV, the former bus operator, got a judge in Minden to freeze STATA's assets. Not having access to that pot of \$677,000 is making it difficult to run the day-to-day operation.

Still, even with the official bankruptcy filing that will occur in the next month, the buses will roll, according to STATA officials. Riders should see no change in service for the time being.

A group of students and parents representing Grace Christian Academy in Minden helped fill the room Friday, worried their route will be cut as the agency keeps tweaking the schedule.

The board voted to keep it going because about a dozen families at the lake use the bus that goes over Kingsbury Grade. It serves the greater public, not just these students. Plus, one reason Big George Ventures wrote a hefty check for what had been called the Kingsbury Express was so fewer passenger vehicles would go by the owner's neighborhood.

It's still not known what El Dorado County is going to do with their residents in the basin who want/need public transit. The county pulled out of the public-private transit agency last month.

Derek Kirkland, transportation planner with Nevada Department of Transportation, spoke about route changes before the bankruptcy issue was voted on.

NDOT in a letter dated July 12 had threatened to pull its funding because of its lack of confidence in STATA.

STATA, at NDOT's urging, then contracted with Tahoe

Transportation District to handle the bulk of the operation, except for the actual buses. That will continue to be the agreement as STATA enters bankruptcy.

Mike McLaughlin is STATA's attorney, but the board will hire a specialist to handle this situation.

Even though it is creditors who have a large say in what STATA's reorganization looks like, it is not likely the players will want to lose control and still contribute financially.

South Lake Tahoe, Douglas County, Harveys, Harrah's, MontBleu, Horizon, Lakeside, Heavenly, Ridge Tahoe and Tahoe Transportation District are voting board members. TRPA is a non-voting member.

Besides bankruptcy court, STATA is dealing with three lawsuits from MV. One was misfiled in El Dorado County, that's why it's down to three.

The audit for fiscal year 2008-09, which is well overdue, was on the agenda. The board tabled it because TRPA has concerns about some of the wording in the document.