

South Lake Tahoe, TTD settle MV dispute

By Kathryn Reed

South Lake Tahoe and Tahoe Transportation District expect to have their legal matters with MV Transportation resolved next week.

The City Council on Oct. 1 is expected to ratify the settlement agreement that calls for the city to pay MV and South Tahoe Area Transit Authority \$115,000. The money will come from the general fund's unassigned excess reserves. The money is to be split equally among the entities.

Fairfield-based MV had signed a three-year contract in summer 2009 to run the daily operation of the bus service on the South Shore that included BlueGo, Heavenly ski shuttles, Nifty 50 Trolley, routes to Carson City, and service into Carson Valley.

MV filed a lawsuit against South Tahoe Area Transit Authority – which was the overseer of the bus operations – after the agency severed the contract within a year. STATA filed for bankruptcy on Sept. 13, 2010. MV that year filed a complaint saying it was owed \$2 million for services rendered and another \$1 million in lost revenue.

The staff report for Tuesday's council meeting says, "The city has vigorously defended its position that it has no liability in this situation. However, the costs in time and attorney's fees have resulted in a determination that the certainty received in settlement is better for the city than the risk and ongoing expenses to proceed further with litigation."

The agreement is expected to be filed with the Bankruptcy Court in Reno on Oct. 23.

The TTD board earlier this month voted to settle as well. The court is expected to approve that agreement on Oct. 3.

“TTD has agreed to assist the parties in recovering potential reimbursable expenses from outstanding operating grants, and TTD will be able to keep 50 percent of whatever funds are recovered,” TTD Executive Director Carl Hasty told *Lake Tahoe News*. “TTD will also pay the parties \$150,000 in total with the potential to offset some or all of that through the 50 percent of recovered funds from eligible operating expense reimbursement, which minimizes or negates any potential impact to existing south shore transit service.”

Other entities involved in the case have settled, but not everyone is talking about it.