

# **City of Scottsbluff, Nebraska**

**Monday, February 3, 2014**

**Regular Meeting**

## **Item Consent4**

**Acknowledge a claim from Haun Holdings, LLC for property damage and forward to the city's insurance carrier.**

**Staff Contact: Rick Kuckkahn, City Manager**

Cindy Dickinson  
City Clerk  
City Of Scottsbluff  
2525 Circle Drive  
Scottsbluff, Ne 69361

January 22, 2014

Dear Cindy:

This letter is to inform the City of Scottsbluff that I am making a claim against them for property damage that I incurred at my property located at 614 East 27<sup>th</sup> Street, Scottsbluff, Nebraska. This property is owned by me under the company name of Haun Holding LLC. The building is a 3 unit commercial building that sustained water damage on December 12<sup>th</sup>, 2013. The water damage was a result of a break in a water line that had frozen in Suite C and had spread water through Suite C and B. When the leak was discovered I contacted the Cities water department to come out and shut off the water. I had *also contacted Gary's Restoration Service* to remove the water and dry out the building. *Gary's also did* some demolition that was needed as a result of the damage. I also contacted my insurance company, Iowa Mutual, who assigned local adjuster Jon Gillen to investigate the claim. The estimate that you received for the damages was written by Mr. Gillen. The total is \$7,490.92 and includes the bill from Gary's Restoration Service and also some repairs that have not been made yet. Iowa Mutual has informed me that I did not have coverage for this loss because the policy excludes frozen pipes when the property is vacant.


The reason that I feel the City of Scottsbluff is responsible for the \$7,490.92 in damages is as follows. In 2013 I had rented Suite C to Valley Insurance through their manager Don Gable. As part of the rental agreement Valley Insurance was responsible for utilities and they were put in Valley's name. In July of 2013 Valley Insurance moved from Suite C to Suite A and had contacted the City of Scottsbluff to have all the utilities, including the water, shut off. Mr. Gable informed me that the City had done so and neither Valley Insurance nor I received any bills for utilities since July.

I did not rent out Suite C immediately and it remained vacant through December. I was not concerned about water issues since the water had been shut off. I found out on December 12<sup>th</sup>, when the lines in Suite C broke, that the water was still on in that suite. Since that time the City of Scottsbluff had men dig up the main water line valves at this property and they replaced the valves for all three suites. Through Mr. Gillen I have learned that the water department personnel told him that when the valve for Suite C was removed the outside lever was in the off position but the internal portion of the *valve was* open. It was told to Mr. Gillen that this is not unusual for old valves to fail in this manner. I have no way of knowing if the valve was shut off or not but even if it was and the internal valve failed I feel that the City employee's who shut off the water should have told me or Mr. Gable that it is possible that the valve could fail and that the water should be checked.

Either the water valve was not shot off or the valve failed. If the water was not shut off then the employees did not do their job even though Mr. Gable was told they did so. If the valve failed I do understand that equipment fails but I am not a plumber and did not even think of the buried valve

failing. Had I been made aware of this possibility and that it is not unusual for old valves to fail I would have taken more care in making sure the plumbing was secure. For the above reasons I feel that the City of Scottsbluff is responsible for the water break in my building and ask for reimbursement for the damages. I appreciated your attention to this matter and look forward to hearing from someone.

Sincerely:

A handwritten signature in cursive script that reads "Allen Haun".

Allen Haun  
1306 Mockingbird Drive  
Scottsbluff, Ne 69361  
402-499-7067

## Cindy Dickinson

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**From:** Jon Gillen <j-gillen@wncs.net>  
**Sent:** Wednesday, January 22, 2014 9:30 AM  
**To:** Cindy Dickinson  
**Subject:** Haun Holdings LLC:  
**Attachments:** Final Estimate.pdf; Garys Restoration Bill.pdf; Photos.pdf

Hi Cindy, hope all is going well.

Back in December I had visited with you in regard to a water loss that occurred at 614 East 27<sup>th</sup> Street in Scottsbluff. This property is owned by Haun Holdings LLC and the contact person is Allen Haun at 308-635-3314 and cell of 402-499-7067. This building is a 3 suite office building. The cause of the loss was water damage due to a frozen pipe. The facts were that Don Gable of Valley Insurance, who were tenants in Suite C of the building, had contacted the City on July 2, 2013 to have the utilities turned off in Suite C of this building as they were moving to Suite A. A water department person had showed up on that day and advised that the water had been turned off at the cities main valve servicing Suite C. The electricity had also been turned off. Mr. Gable advised Mr. Haun that all utilities were off and Mr. Haun advised me that Suite C remained vacant from July through December. Mr. Haun advised that since everything was turned off he did not check on Suite C during that time. During that time Suite A & B were rented.

On December 12<sup>th</sup> 2013 Mr. Haun discovered that the water line in Suite C had frozen, split, thawed and as a result spread water throughout Suite C and B. Mr. Haun contacted the City to check out the shut off water valve and also Gary's Restoration Service to dry out the building. The city water department did go to the property on December 12<sup>th</sup> and found that the cities water valve servicing Suite C had failed and that the water line had remained on. A few days later the water department came out and dug up the valve and replaced it as well as the valves for Suite A & B.

I represent Iowa Mutual Insurance Company who carry the insurance on the building for Haun Holdings LLC. I have written an estimate for the repair of the water damage that includes the bill from Gary's Restoration for the dry out and demolition needed and the additional work that is needed to put the building back to its pre loss condition. The total comes to \$7490.92. Because of a vacancy clause in the insurance policy it was determined that there was no coverage for the water damage and Iowa Mutual has denied the claim to Mr. Haun. I had advised Mr. Haun of our discussion that you would submit his claim to the Cities insurance carrier for consideration and he asked me to do so.

Based on our conversation back in December I have attached my estimate which Gary's Restoration bill and the repairs that remain to be completed. There are also some photos of the damage. If these could be submitted to the cities insurance carrier it would be appreciated. Contact can be made to me if there are any questions about the estimate. Any consideration about the claim should be discussed directly with Mr. Haun.

Cindy, thanks for doing this and let me know if you have any questions.

Jon

Jon Gillen  
West Nebraska Claims  
P.O.Box 140  
Scottsbluff, Ne 69363-0140  
[j-gillen@wncs.net](mailto:j-gillen@wncs.net)  
308-632-4161, 308-631-0532 Cell

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