

# Homeowners consider suing city for property damage

**May be cheaper to just pay for damage themselves, though**

By Erick Bengel  
Cannon Beach Gazette

A couple who owns a home in north Cannon Beach may sue the city after a burst water line caused approximately \$12,000 worth of exterior damage to their residence in January, and the city's insurance company, Salem-based Citycounty Insurance Services, declined to cover it.

But Douglas and Karen Hadley — whose West Seventh Street property was flooded with water and debris when a city-owned PVC pipe ruptured in January — have a tough financial decision to make.

Filing a tort claim against the city of Cannon Beach will require them to spend thousands of dollars on soils experts, hydrologists, industrial engineers and other well-paid professionals to assess the quality of the broken pipe and the conditions around it, Douglas Hadley said.

If their homeowners insurance can cover at least some of the damage, it may actually be cheaper for the Hadleys to just pay for the remaining repairs themselves than to take the city to court.

Right now, “we couldn't afford to get the money together to make our case,” Hadley said.

**Prohibitively expensive**

When a city's insurance company denies a claim, “that can leave a property owner in a lurch,” said Christian Zupancic, the Hadleys' Seaside attorney. CIS insures many cities and counties in Oregon, and if the company declines coverage, “usually these folks who have property damage, they have to figure it out on their own as to how to cover the damage.”

Though Zupancic said he does not know why CIS denied the Hadleys' claim, he said that, in general, insurance companies will determine that their client did not cause active harm or behave negligently and, therefore, is not liable for damages.

For people like the Hadleys to prove the city is at fault, “there's usually a lot of experts involved,”

making it prohibitively expensive to fight the city, Zupancic said.

Kim Laramy, communications consultant for CIS, said the investigation is ongoing, so the company would not comment on the Hadleys' case.

**Deluge**

The trouble began when a pipe that runs uphill from the Ash Street pump station to the north reservoir suddenly broke on the evening of Jan. 7. Within 10 minutes, the reservoir's 30,000 gallons of water emptied onto Ash, Seventh and Larch streets, according to Public Works Director Dan Grassick. At least 100 homes were without water service until around 2 a.m. Jan. 8, when the public works crew had replaced that section of pipe.

The Hadleys' house didn't suffer interior damage, but the deluge that flowed under and around it mangled a fence, damaged a brick walkway, undermined a retaining wall, broke some skirting and separated four support posts from the floor joists. The house has started to sag and settle. The garden was

washed out, and the yard is a gravelly ruin.

The Hadleys hired a building contractor and a landscape contractor to estimate the cost of the physical damage alone. Their combined estimate of \$12,000 doesn't include Douglas Hadley's travel expenses — he had to fly out from their home in Charlevoix, Mich., and rent a car in Oregon — nor does it include the thousands lost because the couple cannot rent out the house.

Though the Hadleys' homeowners insurance may cover about \$6,000 worth of structural damage, like the compromised posts, that “still leaves a lot of other damage” the couple would have to pay out of pocket, said Douglas Hadley. “We don't have the cash for that. We don't have cash sitting around for that purpose.”

The Hadleys may return to Cannon Beach in April to clean up their yard. For now, they are still hoping that either CIS or the city has a change of heart so the major repairs to the property can get underway.

“We have to get it done so we

can get it back onto the rental market,” Douglas Hadley said.

**'Very disappointing'**

Both he and Zupancic said that Cannon Beach's city staff has been great to work with.

Zupancic, in particular, said that “considering the difficulty of the situation, I really am grateful to the city of Cannon Beach, and to CIS, for talking to me and for trying to work it out with me. They've been, by and large, cooperative, given the constraints that they're operating under.”

Though City Attorney Tammy Herdener has said that CIS may not want to involve the city, Douglas Hadley wishes the city could openly communicate with him about the incident and its aftermath.

“It just seems so odd to me. I mean, come on, if something fails in my neighbor's yard, and my house receives damage, it seems to me the neighbor fixes it, period. I don't see why the city doesn't think that way,” he said. “It's very disappointing.”

# Nehalem mayor dies of stroke in her home

**Shirley Kalkhoven an 'irreplaceable' public servant**

Nehalem Mayor and longtime public servant Shirley Kalkhoven, 87, has died. She was found unresponsive in her home March 16 and was rushed to Providence Seaside Hospital, where doctors determined she had suffered a stroke, according to local news reports.

“I have served several mayors in my 25 years, and

she was everything a mayor should be and more,” Nehalem City Manager Dale Shafer said. “She's going to be irreplaceable.”

Kalkhoven served as the city's mayor for 10 years and served on the Nehalem City Council for 10 years before that. In August, the state of Oregon honored her with the Mayor's Leadership Award, for which Shafer nominated her.

Kalkhoven's civic roles and accomplishments are extensive.

She was the immediate past president of the Oregon Mayor's Association

and a past president of the League of Oregon Cities. She was a member of the Northwest Regional Solutions Advisory Council and Chairwoman of the Tillamook County Futures Council.

In addition, she had been the chairwoman of the Northwest Area Commission on Transportation since 2007, chairwoman of the League of Oregon Cities Water Wastewater Policy Committee, a member of the League of Oregon Cities Transportation Committee and a member of the Board of Col-Pac

Economic Development Commission, representing Tillamook County small cities, according to Shafer's nomination letter.

The list goes on.

“She was a tiger,” State Sen. Betsy Johnson (D-Scappoose) wrote in an email to a reporter. “The 17th Street Pier is a result of Shirley's participation in the Connect Oregon process. There was a deep connection between Astoria and Shirley's work on transportation. Tillamook County has lost a ferocious advocate on transportation and other issues.”

“She is one of the most amazing women that I have ever known,” said her friend Tillamook County Commissioner Mark Labhart. He noted how rare it is for a person in her 80s to be as “active and vibrant and engaged in her community, in her county and in her state” as Kalkhoven. “I wish we could all strive to achieve what she has done, to be as active as she has been.”

A memorial service was held at the Port of Tillamook Bay Officers Mess Hall in Tillamook on March 22.



SUBMITTED PHOTO  
Shirley Kalkhoven speaks at a meeting in 2009.

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