



# City of Homer

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### PRESS RELEASE

#### Settlement Agreement with Bambikidis and Halpin

#### For Immediate Release

June 17, 2014

The Alaska Municipal League / Joint Insurance Association (AML/JIA), a non-profit risk pool, provides insurance coverage to the City of Homer. AML/JIA, working in consultation with the City, has reached an out of court settlement agreement with two of the property owners (Bambikidis and Halpin) who sustained sewage back-up related damage to their properties. This incident occurred during extreme and abnormal storm events in the winter of 2013.

A series of warm storms during this period featured extreme amounts of rain and snow melt. These extraordinary storms caused an unprecedented amount of storm water to enter into the City's sanitary sewer system. The City's sewer treatment plant was overwhelmed with storm water and sustained significant damage. Unfortunately, there were several homes which sustained damage as well. These storms were unprecedented with respect to the amount of water which entered the system and could not have been predicted or prepared for in advance. There are many ways storm water can enter the sanitary sewer system and much of it originates illegally from private property. The City also had manholes fail, one due to frost jacking and erosion caused by the weather.

AML/JIA and the City of Homer initially took the position that this storm system was an unusual event and that the damage that occurred was beyond the City's control. However, after conducting a thorough internal investigation of all aspects of this event, including system engineering, maintenance procedures, and other factors, AML/JIA determined that the best course of action was to seek an out of court settlement and avoid a costly and divisive court proceeding. The City agreed.

The City of Homer is pleased that the claims made by the Bambikidis and Halpin families are resolved. We regret the hardship and inconvenience this event has caused for the property owners. This process was long and sometimes painful. The City and AML/JIA had a duty to investigate these claims and protect the interests of everyone involved, including the taxpayers and all water and sewer customers in Homer. We think these settlement agreements represent a good outcome and that they are fair to all parties.

Going forward, the City of Homer will accelerate its efforts to reduce Inflow and Infiltration of water into the sanitary sewer system. This will require a combination of public education, tighter legislation and enforcement, and additional funding. The City would also encourage homeowners to secure the proper insurance coverage and if their property is at a low elevation, particularly if it is lower than the sewer lines, consider installing a back-flow preventer on your sewer service line to insure this does not occur at your property.