

Property & Injury Claims

Hotel & Casino Contaminated Water Damage

The Problem

The project is a large, 22 floor hotel and casino in Las Vegas with two towers that connect on the fifth floor pool level. The pool was undergoing demolition for renovations when the contractor initiated preparation for an expected rainstorm by sandbagging, providing structural support to the visqueen, and creating a path for the water to travel as it accumulated during the storm. While the precautionary steps the contractor took to prepare for the storm were reasonable for typical storms, no one anticipated this to be an 100-year storm with concurrent extreme weather. Water from the rainstorm flooded from the fifth floor demolition area down through the fourth floor equipment areas. It then traveled to floor three by means of an interstitial space above the conference rooms. The leak advanced to the second floor, which contained the casino's "Eye In the Sky," legacy surveillance catwalk, before finally leaking into the casino's first floor. In its path, the water was chemically altered from category 1 (rain and drinking water), to category 2 (drain water), and category 3 (sewage and asbestos laden water). The contaminated water (CW) affected many areas of the hotel and casino, including: surveillance, conference areas, portions of the casino, and various electrical, mechanical, and lighting systems.

The Solution

Pete Fowler Construction was hired by our client (the hotel and casino) after the Defendant (the insurance company) denied coverage, claiming the contractor didn't take the adequate and essential steps to prevent the resultant damage to the casino and that the damage requiring coverage was minimal. Based on the investigation, analysis, communication with the hygienist, communication with the engineering personnel of the plaza, and our expert's expertise and experience, we determined that all areas within the hotel/casino that were touched by the CW had to be removed and replaced as a provision of safety to the patrons, employees, jurisdictional personnel, and others. Our expert's arguments were based on the following:

- NEMA (National Electrical Manufacturer's Association) published documents for research and empirical data concluding that water impact compromises the integrity of electrical equipment.
- Codes that were applicable to the contractor, owner, management, and their maintenance personnel. These reference codes include, without limitation: National Electrical Code, International Building Code, International Fire Code, International Property Maintenance Code, City of Las Vegas Municipal Code, and the Existing Building Code.

Ultimately, the insurance company's experts' basis and opinions were determined to be ill-founded and illogical, denying code language, NEMA provisions, and the presence of compromised portions of the electrical system, which presented an ongoing dangerous condition. The case then settled in our client's favor, largely as a function of our services.



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