

MEMORANDUM

TO: Dillingham City Council
FROM: Samuel C. Severin
RE: Dillingham Legal Matters
DATE: July 30, 2026



This memorandum summarizes ongoing legal matters our office is working on, or has recently worked on, for the City of Dillingham. We are glad to provide additional detail regarding our ongoing day-to-day work or any of the work described below. Executive session may be preferable for the active litigation matters.

Legal fees between July 1, 2025 and June 30, 2026 totaled \$111,757.50. During 2026, legal fees have not exceeded \$10,000 for an individual month.

Fees for individual matters are listed below. Other categories of billing include general counsel work, which is the day-to-day advice on governance matters, ordinance and contract review or drafting, and similar work. That work accounted for \$38,377.00 during the relevant time period. Roughly \$20,000 of that general counsel work was in July and August of 2025. General counsel work has not exceeded \$5,000 in an individual month this year. Public Safety is another large category with fees during the relevant time period of \$30,785.00. Much of that is attributable to finalizing the police policy manual and fine-tuning it with the police department. Fees attributable to personnel matters totaled \$9,809.00. Work related to the Port (\$5,415 during the relevant time period), and advice regarding sales tax issues (\$2,517.50) make up the remainder.

Litigation:

Recently Concluded Litigation:

Allison O'Brien v. City of Dillingham and David Tanner, 3DI-24-00117CI: Allison O'Brien brought a lawsuit alleging assault based on a police response on November 19, 2023. APEI accepted defense. Walker and Eakes defended the city. Our office assisted with discovery and other support and advised the City and outside counsel. In March, the case was dismissed on the basis of qualified immunity and Plaintiff's inability to prove the officer did anything outside the standard of care of a reasonable officer.

Our fees on this matter were \$2,338.50 during the relevant time period.

Travis Handy v. City of Dillingham, 3DI-26-0008CI: In January of 2026, Travis Handy filed a Superior Court appeal from a decision of the Board of Equalization. He alleged that he should have been allowed to file a late appeal due to notice being sent to the wrong address. Our office filed motions to require Mr. Handy to pay the required cost bond and to prepare a transcript of proceedings, per court rules. Mr. Handy failed to comply with the procedural requirements. We moved for dismissal which was granted on June 22, 2026.

Fees incurred in this matter total \$1,593.

Grandma's House, 3DI-26-00002CI: After at least six years of Grandma's House not being used for its intended purpose, in May of 2025 the City passed Resolution 2025-05 to exercise its reversionary interest. Our office filed a quiet title action, and in April 2026 the City obtained clear title to the property.

Fees incurred in this matter during the relevant time period total \$8,645.50.

2024 Property Tax Foreclosure, 3DI-24-00061CI: The City initiated the 2024 tax foreclosure process with 12 delinquent properties. After going through the litigation, including the one-year pause to allow taxpayers to redeem, the City obtained title to four properties in May 2026. The next step is for the City to determine if there is a public purpose to retain each of the properties. If there is a public purpose, the Council should adopt an ordinance describing the public purpose. If there is not a public purpose to retain, then the Council should adopt an ordinance authorizing the sale of the properties.

Fees for property tax foreclosure work and general property tax issues during the relevant time period total \$9,222, split between 2024-2025 property tax foreclosures. A large percentage of that total is recovered through the foreclosure process.

Ongoing Litigation:

Dillingham Waste Management, LLC v. City of Dillingham, S-19232: Dillingham Waste Management sued the City asserting several different claims relating to waste collection service and use of the city landfill. The City counterclaimed, asserting claims relating to DWM's billing practices. The result before the superior court was that DWM's claims were dismissed and the City was granted judgment *against* DWM in the amount of \$171,213.88, plus post-judgment interest. DWM appealed to the Alaska Supreme Court. Briefing was completed in spring of 2025. We are waiting for the Alaska Supreme Court to decide the appeal.

BBNA Water Damage Claim, 3DI-25-00029CI: BBNA sued the City for sewage backflow to its main office, claiming the City is liable for \$1,000,000 in damages. The City is

actively defending the case. The City's insurer has accepted defense and has retained our office as defense counsel.

Defense is funded by the City's insurer. There may be some limited incidental time regarding this matter in the general counsel category.

2025 Property Tax Foreclosure, 3DI-25-00062CI: The City initiated the 2025 tax foreclosure process with 32 delinquent properties. In August 2026, the one-year redemption period will expire, and the City will foreclose on the remaining properties. There are currently nine properties that are still delinquent.

Fees for property tax foreclosure work and general property tax issues during the relevant time period total \$9,222, split between 2024-2025 property tax foreclosures. A large percentage of that total is recovered through the foreclosure process.

Patricia Buholm v. City of Dillingham, 3DI-25-00063CI: Ms. Buholm abruptly resigned in May of 2024. She then filed suit against the City. Her complaint alleges violation of the covenant of good faith and fair dealing and a statutory whistleblower claim. The City's insurer, Alaska Public Risk Alliance, has accepted coverage. William Earnhart of Birch, Horton, Bittner and Cherot represents the city. Ms. Buholm was deposed May 20, 2026. Trial is currently set for January 2027.

Our fees on this matter total \$2,789.50.

Other Matters:

ASCHR Complaint: In our April 2025 status update, we mentioned a complaint by a former employee to the Alaska State Commission for Human Rights. We filed a response which resulted in the case being dismissed in June of 2025.

14(c)(3) issues: Last year, our firm investigated significant ANCSA 14(c)3 conveyance issues surrounding title to certain properties, including the property adjacent to Waskey Rd (Tract A, T13S, R56W SM, southwest quarter of Protracted Section 1 and northwest quarter of protracted Section 12, encompassing 320 Acres). The research and quitclaim to finalize this overdue process has been drafted. This would require additional discussions with Choggiung as detailed in our May 27, 2025 memorandum.

Police Policy Manual: In collaboration with Chief O'Malley, we completed a significant overhaul of the police policy manual, which we now understand to be in effect.