

PINHOLE LEAKS PLAGUE HOMEOWNERS

Lawsuits pile up over tiny defects that cause major damage.

The Bustos family was knee-deep in a remodel to their 12-year-old Ladera Ranch home when their daughter noticed something odd: bubbling white paint on new base molding.



BROOKE EDWARDS STAOGS
REGISTER WRITER

"My husband said, 'That's water,'" Pam Bustos said,

recalling that mid-October night.

The maple hardwood floors they'd just paid \$3,000 to refinish felt warm beneath their bare feet as they pulled a buffet cabinet out from a freshly painted wall. Then they saw seeping evidence of a problem that would cost nearly \$17,000 to fix and is still causing the family grief.

"I guess I don't get the concept," Bustos said. "How does water create a pinhole leak in copper?"

That question is the subject of at least 14 lawsuits pending in Orange County courts, including 10 potential class-action suits recently filed by Ladera residents with similar stories.

Homeowners are suing builders, plumbers and copper-pipe makers, alleging there's some flaw that leads to pits inside the pipes. Builders and insurance companies are suing South County water districts, claiming chemicals in the supply are corrosive to piping that's otherwise considered highly reliable.

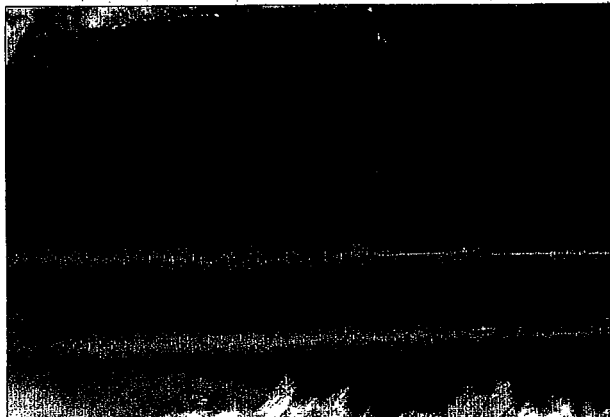
Meanwhile, people all over the county are watching these cases, waiting to see if someone will finally be held accountable for the costly epidemic.

A FLOOD OF LEAKS

If she looks two houses in any direction, Bustos can find another neighbor who's had a pinhole leak. One had \$28,000 in damage to slate flooring and cabinetry. Another has had two leaks in three years.

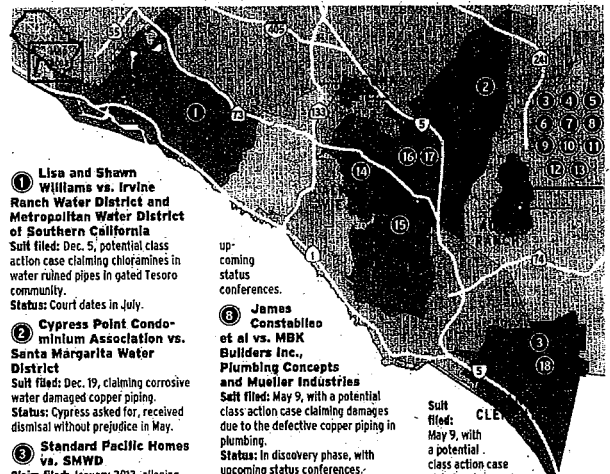
"There's definitely a lot more water leaks in south or southeast Orange County," said Brandon Tallafiero with A to Z Leak Detection in San Clemente. Tallafiero has worked as a plumber throughout Orange and San Diego counties, with calls for pinhole leaks and related repairs on a daily basis.

"I've seen plenty of really, really small weeping leaks that drip once an hour and don't get noticed for months. Then the homeowner smells a musty smell or starts seeing signs of mold," Tallafiero said. "We've also had plenty of instances where the homeowner was out of town for the weekend, opens the front door ... and there's 6 inches of water all over the house." Shapell Homes started



A pinhole leak in copper pipes sands water spraying behind drywall in a Laguna Niguel home. It's the family's second leak in three months, plumber Brandon Tallafiero said.

Pinhole leak lawsuits



1 **Lisa and Shawn Williams vs. Irvine Ranch Water District and Metropolitan Water District of Southern California**
Suit filed: Dec. 5, potential class action case claiming chloramines in water ruined pipes in gated Tesoro community.
Status: Court dates in July.

2 **Cypress Point Condominium Association vs. Santa Margarita Water District**
Suit filed: Dec. 19, claiming corrosive water damaged copper piping.
Status: Cypress asked for, received dismissal without prejudice in May.

3 **Standard Pacific Homes vs. SMWD**
Claim filed: January 2012, alleging water damaged pipes in 76 homes.
Status: Company declines to comment on whether it will become a lawsuit.

4 **Enrique Del Rivero, et al vs. Centax Homes, Puife Home Corp., Plumbing Concepts Inc. and Mueller Industries**
Suit filed: May 9, with a potential class action case claiming damages due to the defective copper piping in plumbing.
Status: In discovery phase, with upcoming status conferences.

5 **Lily Chang, et al vs. DR Horton Inc., Plumbing Concepts and Mueller Industries**
Suit filed: May 9, with a potential class action case claiming damages due to the defective copper piping in plumbing.
Status: In discovery phase, with upcoming status conferences.

6 **James Foti et al vs. John Liang Homes (California) Inc., Plumbing Concepts and Mueller Industries**
Filed: May 9, with a potential class action case claiming damages due to the defective copper piping in plumbing.
Status: In discovery phase, with upcoming status conferences.

7 **Kendall Brasch et al vs. K Hovnanian, Plumbing Concepts and Mueller Industries**
Suit filed: May 9, with a potential class action case claiming damages due to the defective copper piping in plumbing.
Status: In discovery phase, with

8 **James Constablie et al vs. MBK Builders Inc., Plumbing Concepts and Mueller Industries**
Suit filed: May 9, with a potential class action case claiming damages due to the defective copper piping in plumbing.
Status: In discovery phase, with upcoming status conferences.

9 **Katly Latini et al vs. Richmond American Homes of California Inc., MDC Holdings Inc., Plumbing Concepts and Mueller Industries**
Suit filed: May 9, with a potential class action case claiming damages due to the defective copper piping in plumbing.
Status: In discovery phase, with upcoming status conferences.

10 **Cheryl Silverman et al vs. Shea Homes Inc., Plumbing Concepts and Mueller Industries**
Suit filed: May 9, with a potential class action case claiming damages due to the defective copper piping in plumbing.
Status: In discovery phase, with upcoming status conferences.

11 **Andres Valencia, et al vs. Standard Pacific Homes, Plumbing Concepts and Mueller Industries**
Suit filed: May 9, with a potential class action case claiming damages due to defective copper piping in plumbing.
Status: In discovery phase, with upcoming status conferences.

12 **Rohangiz Braham, et. al vs. William Lyon Homes, Plumbing Concepts and Mueller Industries**
Suit filed: May 9, with a potential class action case claiming damages due to defective copper piping in plumbing.
Status: In discovery phase, with upcoming status conferences.

13 **Peter Warren, et. al vs. Brookfield Homes, Plumbing Concepts and Mueller Industries**

Suit filed: May 9, with a potential class action case claiming damages due to defective copper piping in plumbing.
Status: In discovery phase, with upcoming status conferences.

14 **Cantora Community Association vs. Moulton Niguel Water District and MWD**
Suit filed: Dec. 18, claiming corrosive water damaged copper piping.
Status: Court dates coming in August.

15 **Shapell Homes vs. MNWD**
Suit filed: Nov. 2, 2011, claiming chloramines caused more than \$5 million in damages to more than 400 homes.
Status: Court dates coming in August.

16 **Briosa Owners Association vs. MNWD**
Suit filed: July 25, 2012, over corrosive water that triggered repiping in 248 condos.
Status: Court date coming in August.

17 **Mercury Casualty Insurance Company vs. MNWD**
Claim filed: June 14, 2012, over \$9,300 in damage to a client's home.
Status: Unclear if claim will become a lawsuit.

18 **Lennar Homes vs. SMWD**
Suit filed: Feb. 9, 2012, claiming corrosive water caused more than \$360,000 in damages to pipes in 144 homes.
Status: Lennar asked for and received dismissal without prejudice in April.

The Register

What residents can do

Experts offer a few tips for homeowners in areas prone to pinhole leaks:

- Discuss pinhole leaks with an inspector prior to buying a home.
- Review all homeowners Insurance policies to ensure pinhole leaks are covered.
- Do regular physical inspections and checks to water pressure to help catch problems early.
- Consider preventive measures, such as a filtration system that removes additives, an epoxy pipelining treatment or total pipe replacement.
- Report any leaks to the local water district for tracking.

Sources: Brandon Tallafiero with A to Z Leak Detection, Maryland Task Force on Pinhole Leaks in Copper Plumbing

increase in calls from homeowners contacting companies such as his directly for help - with multiple repeat customers.

While Bustos' insurance covered their bill, other residents have been denied. Insurers typically only cover sudden incidents, Waters said, with slow pinhole leaks oftentimes hanging homeowners out to dry.

POINTING THE FINGER

So what's causing this South County plague?

In about 95 percent of the pinhole leak cases Tallafiero sees, he said there's no issue with installation or reliability of the piping itself. The leaks aren't at joints or in high-flow areas, with "no real rhyme or reason" for why one homeowner gets them and their neighbor doesn't.

When Shapell's leaks started, Waters said the company hired an independent quality contractor to inspect its Laguna Niguel development. When the contractor couldn't find anything wrong with the pipes or their installation, the district looked to the water, she said.

Shapell filed a lawsuit against Moulton Niguel Water District in August 2012 claiming water provided by the district is corroding copper plumbing in its homes.

Most South County water districts rely on imported drinking water. Waters and others have asserted that chloramines - a combination of chlorine and ammonia used to disinfect the imported water - are the culprit.

"It doesn't hurt people, but it has properties that don't play well with copper," Waters said, citing studies by national expert Marc Edwards of Virginia Tech. Edwards declined to comment for this story because of his involvement in ongoing litigation over pinhole leaks.

When asked about water chemistry as a possible cause, officials from Moulton Niguel and Santa Margarita Water District, which has also been sued by builders, insist their water "meets or exceeds all federal and state drinking water quality standards."

SMWD doesn't alter the water it gets from the Metropolitan Water District of Southern California, which supplies water to 19 million customers, SMWD spokeswoman Michele Miller said. Metropolitan Water District is also named in two of

the pending lawsuits over pinhole leaks.

So if it's the water, why would there be a higher concentration of leaks in certain communities, Miller said?

Even if there proves to be some issue with the way local water interacts with copper pipes, MNWD spokeswoman Joone Lopez said that seems more a matter for builders than for water districts.

"We don't treat water for the pipes," she said. "We treat water for the people and the safety of consumption."

PREVENTION STEPS

Along with seeking tens of millions of dollars in damages for homeowners from their builders, attorney Richard Bridgford hopes to use the 10 Ladera lawsuits to prompt action that might prevent future leaks.

By now, Bridgford said, builders should be aware of area water chemistry and should be forced to take that into account when deciding what building materials to use.

After repiping more than 200 homes, Shapell has stopped using copper in its south Orange County projects. While Lopez said water districts can't dictate what materials are used in home construction, Waters believes districts should have to notify developers about issues with copper pipes before they start building.

"This could affect real estate prices if south Orange County gets a reputation for this," Waters said. "The implications of this are far-reaching beyond just a leaky pipe."

While the parties battle it out in court, the Bustos family is still dealing with the aftermath of their home's October leak.

Though they waited more than a month to reinstall hardwood floors and had humidity levels checked, the boards are now warping in random places.

"When they walk that floor barefoot, Bustos said, they still check for warm spots. And as they prepared for a recent vacation, Bustos planned to shut the water off so she didn't come home to another nightmare.

"It's just been an ordeal," she said. "I'm so worried it is going to happen again."

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building nearly 1,000 houses some 20 years ago in a Laguna Niguel development, spokeswoman Meg Waters said. The company used copper piping, then considered an industry standard. A few years ago, Waters

said the company began getting calls from residents wanting to use warranties for pinhole leaks springing up in their pipes. Those calls, Waters said, were coming in at a much higher rate than anywhere else in the country where Shapell

has built homes over the past 50 years, with roughly 1 in 168 area homes experiencing a leak.

As 10-year warranties expire on homes in communities such as Ladera, Coto de Caza and Talega, Tallafiero said he's noticed an