

Gregg  
Miller  
Nash

MCCOY RELIEF – WARREN BRANCHES  
INTER-COUNTY DRAINAGE BOARD  
JULY 25, 2018  
10:00 A.M.  
AGENDA

	<u>Page</u>
1. Call meeting to order and roll call	
2. Approval of Agenda	
3. Public participation	
4. Approval of minutes of meeting of September 28, 2016	3
5. Liability Insurance Coverage	5
Motion: To approve the liability coverage, including terrorism coverage and to distribute the cost based on expenses without grants and bonds for the first year	
6. Financial Update – Bruce Manning	9
7. Old Business	
8. New Business	
9. Adjourn	

# McCOY RELIEF & WARREN BRANCHES - ENCLOSED

## WARREN / OAKLAND COUNTY - CHAPTER 21



### Legend

- Enclosed Gravity
  - < 60" Dia
  - >= 60" Dia
  - Multiple Pipes
- Open Channel
  - Ditch
  - Pond
- Culvert



Drain Length (Feet/Miles):  
21,685.04 / 4.11

A meeting of the Inter-County Drainage Board for the **MCCOY RELIEF DRAIN – WARREN BRANCHES** was held in the Office of the Macomb County Public Works Commissioner, 21777 Dunham Road, Clinton Township, Michigan on September 28, 2016.

PRESENT: Michael Gregg, Chairman  
Michigan Department of Agriculture & Rural Development

William Misterovich, Acting Secretary  
Chief Deputy, Macomb County Public Works Commissioner

Jim Nash, Member  
Oakland County Water Resources Commissioner

ALSO PRESENT: Keith Graboske, P.E., Chief Engineer, Lynne Seymour, P.E., Environmental Engineer, Lara Sucharski, Soil Erosion & Sediment Control Supervisor, Office of Macomb County Public Works Commissioner; Phil Sanzica, Chief Deputy, Office of Oakland County Water Resources; Jamie Burton, P.E., Albert Mickalich, P.E., Hubbell, Roth & Clark, Inc.

The Chairman called the meeting to order at 11:00 a.m.

The Chairman presented a request to approve transfer of \$100,000 in surplus funds to the Warren Catch Basin Repair Project No. 11 Drain.

Motion was made by Mr. Misterovich, supported by Mr. Nash to approve the above referenced transfer of funds as presented.

AYES: Misterovich, Nash, Gregg

NAYS: None

Motion approved.

There being no further business coming before the Board, the meeting was adjourned at 11:10 a.m. by Mr. Gregg on a motion by Mr. Nash, supported by Mr. Misterovich and unanimously approved.



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William Misterovich, Acting Secretary  
McCoy Relief – Warren Branches Inter-County Drainage Board

STATE OF MICHIGAN  
COUNTY OF MACOMB

I certify that the foregoing is a true and correct copy of proceedings taken by the Inter-County Drainage Board for the Drainage District shown on the attached set of Minutes, on September 28, 2016, the original of which is on file in the Public Works Commissioner's Office. Public notice of the meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1975, including, in the case of a special or rescheduled meeting or a meeting secured for more than 36 hours, notice by posting at least 18 hours prior to the time set for the meeting.



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William Misterovich, Acting Secretary  
McCoy Relief – Warren Branches Inter-County Drainage Board

DATED: 10/5/16

8453.rs



# NICKEL & SAPH, INC.

*INSURANCE SINCE 1929*

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April 27, 2018

Commissioner Candice S. Miller  
Macomb County Public Works  
21777 Dunham Road  
Clinton Twp., MI 48036

Re: Defense and Indemnification

Dear Commissioner Miller:

In light of recent discussions regarding risk management and exposure to certain third-party liability claims related to the various inter-county drains drainage districts, it is strongly recommended that each board member determine what liability insurance coverage is afforded to a member by each member's appointed community or organization.

The inquiry by the individual board members to their representative communities or organizations should specifically address **1)** defense and **2)** indemnification. Defense relates to the expense to administer a defense against a claim or allegation, including legal fees. It is common for an allegation to be concluded without the payment of third-party damages, but expenses for defense are expected with any manner of claim made by a third-party. Indemnification relates to the cost of a monetary settlement paid to a claimant, a third-party, which a board member is legally obligated to pay.

When considering both defense and indemnification, it should be made clear that the representative communities will respond to both **1)** general liability (property damage and bodily injury) and **2)** public officials' liability (wrongful acts) claims or allegations.

Depending on the manner in which the representative communities address their specific insurance and risk management needs, the inquiry may need to be presented to more than one party. By needs, we refer to either a self-insured format or a deductible format. Under a self-insured format, the representative community is responsible for the defense and indemnification of claims or allegations for a defined dollar amount; no insurance carrier or insurance pool is responsible or involved with claims within the self-insured amount. Individual drainage board members should obtain confirmation from their representative communities or organizations that the communities or organizations will defend and indemnify the individual members for expenses and losses within the self-insured amount. Under a deductible format, the representative community secures insurance from an insurance company or insurance pool. Claims within the deductible are administered by the affording insurance provider. Confirmation from the insurance provider should be obtained that **1)** acknowledges the exposure related to the drainage districts and **2)** confirms that the coverages secured by the representative

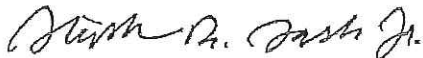
community will extend to the individual drain board member for actions performed on the drainage district's behalf.

Next, it should be disclosed that each drainage district is defined as separate and unique by state statute and does not enjoy "funding unit" status from any other entities. Finally, with the exception of the Oakland-Macomb Interceptor Drain (OMID), none of the inter-county drains drainage districts have in the past or now secure any manner of liability insurance coverage; the districts are entirely self-insured.

In closing, no known incidents or claims have occurred or have been reported to any representative of any of the inter-county drains drainage districts. This inquiry resulted from the various drain boards exploring the possibility of securing insurance or continuing to maintain the existing fully self-insured status.

Should you or any parties from the representative communities have any questions or concerns, please feel free to contact me. If needed, I will be happy to attend the next set of meetings of the inter-county districts. Thank you.

Sincerely,



Stephen R. Saph Jr.  
Agent

## Macomb County Inter-County Drains and Drainage Districts

Responding Insurance Carrier Proposals:

Trident Public Risk Solutions presenting Argonaut Insurance Company

Rating -- A XIII Stable, Admitted

General Liability, Non-Owned Automobile Liability, and Public Officials' Liability -- all afforded on an Occurrence basis excess of a retained limit.

The retained limit is applicable to both defense costs and the payment of third-party damages.

Defense expenses are outside of the limits of liability afforded by the carrier (payment of defense expenses will not reduce the available limits of liability).

An aggregate does not apply to the Automobile Liability coverage.

Excludes Employment Practices Liability.

Separate limits are afforded for each line of coverage (general liability, public officials', and automobile liability). Payment of damages for one line of coverage will not impact or reduce the limits available and dedicated to the remaining lines of coverage.

Each Occurrence Limit --	11,000,000
Aggregate Limit --	12,000,000
Retained Limit -	250,000
Annual Premium (excluding Terrorism) -	68,375
Additional Premium for Terrorism -	1,805
Total Annual Premium -	70,180

Stephen R. Saph Jr.

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March 13, 2018

Chapter 21  
Liability Insurance  
Apportionment Options

DRAIN	EXPENSES-YEAR ENDING 9/30/2017			PAST 5 YEAR AVERAGE EXPENSES		
	EXPENSES	PERCENT	COST	EXPENSES	PERCENT	COST
Bear Creek	262,884	16.88%	11,846	216,293	17.14%	12,032
Clinton River Spillway	1,130,918	72.62%	50,962	780,500	61.87%	43,418
McCoy Relief	4,462	0.29%	201	2,668	0.21%	148
McCoy Relief Warren Branches	1	0.00%	0	6	0.00%	0
Red Run (all) <sup>1</sup>	53,017	3.40%	2,389	169,013	13.40%	9,402
Sharkey Relief	37,876	2.43%	1,707	17,930	1.42%	997
Sharkey Ryan Branches	48	0.00%	2	100	0.01%	6
Gibson (St Hgt-Troy) <sup>2</sup>	0	0.00%	0	0	0.00%	0
Crapau Creek	0	0.00%	0	2,197	0.17%	122
Richmond-Columbus	68,178	4.38%	3,072	72,885	5.78%	4,054
Totals	1,557,384	100.00%	70,180	1,261,592	100.00%	70,180

DRAIN	WITHOUT GRANTS & BONDS			MILES		
	EXPENSES	PERCENT	COST	MILES	PERCENT	COST
Bear Creek	50,784	43.93%	30,829	11.01	27.39%	19,222
Clinton River Spillway	59,493	51.46%	36,116	2.14	4.98%	3,493
McCoy Relief	4,462	3.86%	2,709	3.54	8.23%	5,779
McCoy Relief Warren Branches	1	0.00%	0	3.28	7.63%	5,355
Red Run (all) <sup>1</sup>	57	0.05%	35	11.79	29.20%	20,495
Sharkey Relief	149	0.13%	90	4.03	9.37%	6,579
Sharkey Ryan Branches	48	0.04%	29	0.28	0.65%	457
Gibson (St Hgt-Troy) <sup>2</sup>	0	0.00%	0	1.53	0.00%	0
Crapau Creek	0	0.00%	0	3.18	7.40%	5,191
Richmond-Columbus	611	0.53%	371	2.21	5.14%	3,608
Totals	115,605	100.00%	70,180	42.99	100.00%	70,180

DRAIN	AVAILABLE FUNDS
Bear Creek	\$ 1,019,060
Clinton River Spillway	\$ 74,689
McCoy Relief	\$ 270,214
McCoy Relief Warren Branches	\$ 52,655
Red Run (all) <sup>1</sup>	\$ 382,198
Sharkey Relief	\$ 650,221
Sharkey Ryan Branches	\$ 15,050
Gibson (St Hgt-Troy) <sup>2</sup>	0
Crapau Creek	\$ 12,794
Richmond-Columbus	\$ 50,454

Total Insurance Premium	70,180.00
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<sup>1</sup>All Red Run mileages and available funds are combined

<sup>2</sup>The Gibson drain has been inactive for years and has no available funds. Because the flow connects with Red Run and Bear Creek, Gibson's portions has been divided between Red Run and Bear Creek for mileage apportionment



YTD Trial Balance

Fund: McCoy Relief-Warren Branches

As of Fiscal Period: Oct 1, 2017-June 30, 2018

	O&M Balance 9/30/2017	O&M	Total 6/30/2018
Cash - Operating	52,527	150	52,677
Accounts Receivable			-
Assets			-
Liabilities			-
Revenues		150	150
Expenditures			-
Equity	52,527		52,677
	-		-