

Gregg  
Miller  
Wiley

RICHMOND-COLUMBUS  
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 May 24, 2017	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	

# RICHMOND-COLUMBUS DRAIN - ENCLOSED & OPEN

## RICHMOND / RICHMOND TOWNSHIP / ST CLAIR COUNTY - CHAPTER 21



Drain Length (Feet/Miles):  
11,510.50 / 2.18

### Legend

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

A meeting of the Inter-County Drainage Board for the **RICHMOND-COLUMBUS INTER-COUNTY DRAIN** was held in the Office of the Macomb County Public Works Commissioner, 21777 Dunham Road, Clinton Township, Michigan on May 24, 2017.

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

Candice Miller, Secretary  
Macomb County Public Works Commissioner

James Hartson, Member  
Deputy, St. Clair County Drain Commissioner

ALSO PRESENT: Jim Nash, Oakland County Water Resources Commissioner; Joe Suma, Lapeer County Drain Commissioner; Brian Baker, Chief Deputy, Keith Graboske, P.E., Chief Engineer, Dan Heaton, Public Relations Manager, Bruce Manning, Acting Financial Manager, Lynne Seymour, P.E., Environmental Engineer, Tom Stockel, Construction Manager, Anthony Forlini, Operations Manager, Barbara Delecke, Administrative Services, Office of Macomb County Public Works Commissioner; Anne Vaara, Chief Deputy, Jim Wineka, P.E., Assistant Chief Engineer, Office of Oakland County Water Resources Commissioner; Gordon Wilson, P.E., Sydney Kanan, Graduate Engineer, Anderson, Eckstein & Westrick (AEW)  
The Chairman called the meeting to order at 11:10 a.m.

A motion was made by Ms. Miller, supported by Mr. Hartson and unanimously carried to approve the agenda as presented.

The minutes of the meeting of September 18, 2012 were presented. A motion was made by Ms. Miller, supported by Mr. Hartson to approve the minutes with the caveat that prior Board members were not present. Motion carried unanimously.

The Chairman presented the invoices totaling \$68,175.40 as provided to the board for review and approval.

Mr. Manning explained that monies are pooled and paid from one fund for bank fees. The individual drains then reimburse that account at a later date.

Motion was made by Ms. Miller, supported by Mr. Hartson to approve the invoices as presented.

AYES: Miller, Hartson and Gregg

NAYS: None

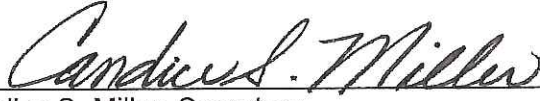
Motion approved.

A trial balance sheet for the Richmond-Columbus Drain was presented to the board for review by Mr. Manning. There is an O&M balance of \$50,257.19 in the account. This money is leftover construction funds from a drain improvement project. Approximately one mile of open drain was improved. Mr. Graboske stated that an inspection on the plunge pools within the drain should be inspected. Mr. Quaine, BMJ Construction and Mr. Graboske were authorized by the Board to perform the maintenance inspection and provide a report to the Board.

A motion to receive and file the Richmond-Columbus Drain Trail Balance, dated October 1, 2016 – April 30, 2017 as submitted was made by Ms. Miller, supported by Mr. Hartson.

AYES: Miller, Hartson and Gregg  
NAYS: None  
Motion approved.

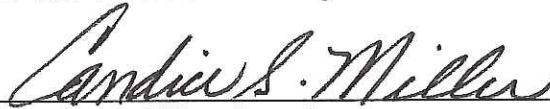
There being no further business coming before the Board, the meeting was adjourned at 11:20 p.m. by Mr. Gregg on a motion by Ms. Miller, supported by Mr. Hartson.



Candice S. Miller, Secretary  
Richmond-Columbus 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 May 24, 2017, 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.



Candice S. Miller, Secretary  
Richmond-Columbus Inter-County Drainage Board

DATED: 5/25/17

8722.bd



# NICKEL & SAPH, INC.

INSURANCE SINCE 1929

**MAILING ADDRESS:**

P.O. BOX 46907  
MT. CLEMENS, MI 48046-6907

**OFFICE ADDRESS:**

44 MACOMB PLACE  
MT. CLEMENS, MI 48043  
(586) 463-4573 • (810) 765-8885  
1-800-657-7373  
FAX: (586) 463-3135

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

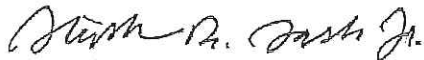
community will extend to the individual drain board member for actions performed on the drainage district's behalf.

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.

Nickel & Saph, Inc. Insurance Agency

586-463-4573

586-747-9315 – cell

586-463-3135 – fax

[stephenjr@nickelsaph.com](mailto:stephenjr@nickelsaph.com)

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
-------------------------	-----------

<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: Richmond Columbus

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

	O&M Balance 9/30/2017	O&M	Total 6/30/2018
Cash - Operating	50,846	164	51,010
Accounts Receivable			0
Assets			0
Liabilities			0
Revenues		164	164
Expenditures			0
Equity	50,846		51,010
	0		0