

Gregg
Miller
Nash

SHARKEY RELIEF
INTER-COUNTY DRAINAGE BOARD
May 23, 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 April 25, 2018	3
5. SAW Grant Update – Jeff Bednar	5
6. Consideration of approval of invoice:	7
See attached spreadsheet	
7. Financial Update – Bruce Manning	8
8. Old Business	9
Liability Insurance Coverage Proposal – Stephen Saph	
9. New Business	
10. Adjourn	

SHARKEY RELIEF

WARREN/OAKLAND COUNTY



Legend

- Enclosed Gravity**
 - < 60" Dia
 - - - >= 60" Dia
 - Inverted Siphon
- Open Channel**
 - Ditch
 - - - Pond
- Culvert



Drain Length (Feet/Miles):
21,297.20 / 4.03



A meeting of the Inter-County Drainage Board for the **SHARKEY RELIEF DRAIN** was held in the Office of the Macomb County Public Works Commissioner, 21777 Dunham Road, Clinton Township, Michigan on April 25, 2018.

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

Candice Miller, Secretary
Macomb County Public Works Commissioner

Jim Nash, Member
Oakland County Water Resources Commissioner

ALSO PRESENT: Brian Baker, Chief Deputy, Karen Czernel, Deputy, Bruce Manning, Financial Manager, Jeff Bednar, P.E., CFM, Environmental Engineer, Tom Stockel, Construction Manager, Dan Heaton, Public Relations Manager, Barbara Delecke, Administrative Services, Office of Macomb County Public Works Commissioner; Anne Vaara, Chief Deputy, Steve Korth, P.E., Manager, Jackie Thomas, Staff Assistant, Office of Oakland County Water Resources Commissioner

The Chairman called the meeting to order at 11:12 a.m.

A motion was made by Ms. Miller, supported by Mr. Nash to approve the agenda as presented.

Adopted: YEAS: 3
NAYS: 0

The minutes of the meeting of March 28, 2018 were presented. A motion was made by Ms. Miller, supported by Mr. Nash to approve the minutes as presented.

Adopted: YEAS: 3
NAYS: 0

Mr. Bednar updated the Board on the SAW Grant project. The next step is to have Fahey, Schultz, Burzych, Rhodes, PLC complete the district delineation. Doetsch will inspect the syphons on I-696 when the contract work for the Bear Creek – Warren Branch is done.

A motion was made by Mr. Nash, supported by Ms. Miller to receive and file the project update given by Mr. Bednar.

Adopted: YEAS: 3
NAYS: 0

A motion was made by Ms. Miller, supported by Mr. Nash to have Nickel & Saph, Inc. draft a letter for the respective counties to present to their legal counsel on whether Board members are covered under the county's policy.

Adopted: YEAS: 3
NAYS: 0

The Chairman presented the invoice totaling \$1,034.11 as provided to the Board for review and approval.

A motion was made by Ms. Miller, supported by Mr. Nash to approve the invoice as presented.

Adopted: Yeas: 3
Nays: 0

A motion was made by Ms. Miller, supported by Mr. Nash to receive and file the financial report presented by Mr. Manning.

Adopted: YEAS: 3
NAYS: 0

MDOT has contacted Macomb County to obtain permits for their I-696 resurfacing project. Mr. Stockel will provide a project update for the next meeting.

There being no further business, it was moved by Mr. Nash, supported by Ms. Miller, that the meeting of the Sharkey Relief Inter-County Drainage Board be adjourned.

Adopted: YEAS: 3
NAYS: 0

The meeting was adjourned at approximately 11:25 a.m.



Candice S. Miller, Secretary
Sharkey Relief 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 April 25, 2018, 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
Sharkey Relief Inter-County Drainage Board

DATED: 4/30/18

PROGRESS UPDATE

PROJECT: Sharkey Drain SAW Grant

SAW GRANT NO. 1404-01

UPDATE BY: Sydney Kanan

DATE: May 10, 2018

PROJECT BACKGROUND AND SUMMARY

Third Round SAW:	Awarded: December 2016 Due to MDEQ: October 2019
Stormwater Asset Management:	\$289,000. \$260,100 Grant, \$28,900 Match
Spent to Date:	\$85,005.81 (March 4, 2018)
Remaining Budget:	\$203,994.19

INVENTORY AND CONDITION ASSESSMENT

Manhole and Catch Basin GPS – COMPLETE
Manhole and Catch Basin Inspection – COMPLETE
Sewer Televising – COMPLETE
CCTV Review – COMPLETE

NOTE: District delineation may result in additional storm sewer for which GPS, structure inspection, sewer televising and CCTV review would need to be conducted.

Doetsch to probe for sediment depth at siphons at the time of additional CCTV work for additional storm sewer resulting from district delineation.

DISTRICT DELINEATION

Document Investigation – FSBR to review documents at MCPWO on May 31st.
Document Analysis – AEW to incorporate legal opinion, once it becomes available, to prepare map sets, easement inventory and route and course description.

GIS

GIS Checkout – On going throughout project
Schema Update – COMPLETE
Asset Naming – COMPLETE
GIS Database Update – AEW to update database when condition assessments have been completed

CRITICALITY

Probability of Failure – AEW to begin after district delineation is complete
Consequence of Failure – AEW to begin after district delineation is complete
BRE – AEW to begin after district delineation is complete

REHABILITATION

Options for Rehabilitation being considered – *AEW to determine after condition assessment is complete*

Associated Costs – *AEW to determine after condition assessment is complete*

Level of Service – *AEW to determine after condition assessment is complete*

GREEN INFRASTRUCTURE

Status to Date – *AEW has been advised by MCPWO to hold off on the GI report until the scope is determined.*

Needed Info – *TBD*

NEEDED FROM MCPWO OR OCWRC

- MCPWO to engage FSBR to begin preparing legal opinion for district delineation.

SHARKEY RELIEF DRAIN - 5/23/18

<u>Funding Source</u>	<u>Apportionment</u>	<u>Manager</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice Detail</u>	<u>Project Summary</u>	<u>Project Balance</u>
Sharkey Relief Drain	Chapter 21 Macomb County - .81% Oakland County - 10.00% Warren - 30.12% Madison Heights - 59.07% SAW Grant 1404-01 (Closing date 11/27/19)	Bednar	Fishbeck, Thompson, Carr & Huber, Inc.	\$ 870.00	Invoice #374395 - 4/30/18 Engineering Services - ending 4/20/18	Engineering Oversight	
Total				\$ 870.00			

YTD Trial Balance

Fund: Sharkey Relief

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

	O&M Balance 9/30/2017	O&M	Total 4/30/2018
Cash - Operating	641,739	529	642,268
Accounts Receivable			0
Assets			0
Liabilities			0
Revenues		529	529
Expenditures			0
			0
Equity	641,739		642,268
	0.00		0.00

NOTES

	Grant	Match	Total
SAW 1404-01	260,100	28,900	289,000
YTD	(122,314)	(13,590)	(135,904)
Remaining	137,786	15,310	153,096



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

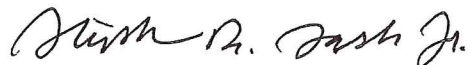
community will extend to the individual drain board member for actions performed on the drainage district's behalf.

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,

A handwritten signature in cursive script that reads "Stephen R. Saph Jr.".

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

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) ¹	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) ²	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) ¹	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) ²	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) ¹	\$ 382,198
Sharkey Relief	\$ 650,221
Sharkey Ryan Branches	\$ 15,050
Gibson (St Hgt-Troy) ²	0
Crapau Creek	\$ 12,794
Richmond-Columbus	\$ 50,454

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

²The 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



Brian Baker <brian.baker@macombgov.org>

Inter-County Drains

1 message

Stephen Saph Jr <stephenjr@nickelsaph.com>

Wed, Apr 11, 2018 at 4:04 PM

To: Brian Baker <brian.baker@macombgov.org>

Cc: "Korth, Steven A" <korths@oakgov.com>, Jeff Bednar <jeff.bednar@macombgov.org>, Bruce Manning <bruce.manning@macombgov.org>, Michelle Amato <michelle@nickelsaph.com>

Per the comment below from our contact with Trident/Argonaut, we have been advised that we can add the additional exposures for the Red Run drains at no additional cost nor with any change to the proposed coverages. No change in premium due to the minimum premium situation with the initial quote.

Attached, please find an updated schedule of drainage districts that would be named as insureds should the boards decide to secure coverage.

If questions, just call. See you all on the 25th. Thanks.

"Provided underwriting with the updated list of drains and the additional budgets. There will be no change/additional premium."

Stephen R. Saph Jr.

Nickel & Saph, Inc. Insurance Agency

586-463-4573

586-463-3135 - FAX

586-747-9315 - CELL

stephenjr@nickelsaph.com

**Macomb County Public Works Inter-County Drain Inventory - Revised.xlsx**

11K

Macomb County Inter-County Drains Drainage Districts

Drain ID	Drain Name	Chapter ID	Community ID
1	2000 Bear Creek	21	WRRN
2	2001 Bear Creek Enclosure	21	WRRN
3	2002 Bear Creek GM Enclosure #2	21	WRRN
4	2003 Bear Creek Warren Branches	21	WRRN
5	2004 Bear Creek Warren Branches #2	21	WRRN
6	2005 Clinton River Basin Special Project	21	CLINT
7	2006 Clinton River Spillway	21	HARR
8	2007 Mc Coy Relief	21	WRRN
9	2008 Mc Coy Relief Warren Branches	21	WRRN
10	2009 Red Run Warren Drain	21	WRRN
11	Red Run Federal Drain	21	
12	Red Run Improvement	21	
13	Red Run Project 2 Drain	21	
14	2010 Sharkey Relief	21	WRRN
15	2011 Sharkey Relief/Ryan	21	WRRN
16	2012 Gibson (St. Hgt. - Troy)	21	Multi
17	2608 Richmond-Columbus (Inter County)	21	Multi
18	6000 Crapau Creek	6	Multi