



CONNECTING & INNOVATING  
SINCE 1913

January 19, 2012

Rum River Hills Inc.  
Attn: Tom Anderson  
16659 St. Francis BLVD  
Ramsey, MN 55303

**RE: LMCIT FILE NO.: PC0010057**  
**TRUST MEMBER: CITY OF RAMSEY**  
**D/OCCURRENCE: 7/16/11**

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**Sent via E-mail, a copy of this letter has been mailed to the above address.**

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Dear Mr. Anderson,

The League of Minnesota Cities Insurance Trust (LMCIT) provides insurance coverage for the City of Ramsey. This letter is a follow up to the investigation into the flooding incident that occurred as a result of the extraordinary rain events in July. This letter outlines our position in regards to the city's liability as it relates to the golf course's claim for damages.

According to the weather source you provided, on July 15, the area to include your golf course received an exceptional amount of rainfall totaling 4.48 inches. To demonstrate how extreme of an event this is, the average rainfall for the month of July is 4.41 inches. This was a nearly unprecedented rain event that caused flooding throughout the metro.

On July 18<sup>th</sup>, the city was notified that there was a flooding issue on the golf course pond located near hole on the west end of hole #1. The City of Ramsey responded and met with Rum River Hills' staff to assess the flooding issue as it relates to this pond. You had already taken some measures to pump water out of this area and had asked the city if they could unblock the line that runs from this pond to a nearby ditch behind hole #6. The city feared their jetting truck would cause considerable damage to your turf due to the wet conditions and no action was taken by them to clean out this line.

The gold course hired a contractor on July 19<sup>th</sup> and 20<sup>th</sup> to bring in a tow behind jetter to clean the line. It was determined that the line was blocked with storm debris and turtle shells. Due

to the large amounts of rain which we had received and the ground being saturated it took several days for the water to recede.

This pond is designed to a 100 year storm capacity and likely would have overflowed and exceeded its banks without any blockage in the ponds outlet pipe. The maximum designed elevation of the pond is 874 ft., and those elevations exist well outside of the pond's normal banks. These areas are intended for water storage during extreme rain events.

I feel it is reasonable to reimburse the golf course for the expense of clearing the blockage as the city was not equipped to do so. We will consider the cost of unblocking the storm sewer as well as the rental of pumps used to expedite the removal of the water. The \$1,600.00 invoice for Drain King to remove the blockage and the \$1,395.00 of pump rental invoices are considered reasonable as these are costs that the city should have incurred. The repair costs to your pump are not being considered, as the city had no control over the pump's use or maintenance.

It also may reasonable to reimburse the course for the lost revenue incurred as a result of the delay in removing the blockage. The lost revenue claimed on the Rum River Hills Golf Club letterhead was not substantiated with sufficient documentation. In an effort to resolve this claim, I calculated the approximate revenue loss for this period using the documentation provided to me. The information you provided indicates the golf course was closed 5 days.

Using the Profit & Loss Comparison Report that you provided, I calculated the average daily revenue for Greens Fees and Carts. The comparison provides a 106 day period of the years 2010 and 2011. Dividing each revenue stream by the days in the period I determined the average daily revenue for each line item in 2010 and multiplied it by 5. This table provides the maximum loss that could have been incurred in the 5 days the golf course was closed.

18-Hole Green fees	\$ 2,779.75
9-Hole Green fees	\$ 956.65
<u>Carts</u>	<u>\$ 1,791.95</u>
Total	\$ 5,528.35

The profit and loss statement provided by the golf course shows that the revenues for the Driving Range, Memberships, Senior-Junior, and Green Fee Twilight were up from July 17<sup>th</sup> to October 23<sup>rd</sup> 2011 compared to the 2010 period. Those items will not be considered in my calculations as there was no loss. Tournament revenue was also not considered as there was no documentation showing that any loss of revenue was directly related to this flooding event.

I cannot reimburse the golf course the cost to repair turf that the flood may have directly damaged because I have not received adequate documentation proving that portion of the loss. In addition to this, some of these areas appear to fall in the designed flood plain and were intended for water storage. To prove your claim for damaged turf you must provide adequate documentation

that the area was outside of the planned flood-stage area, and that the blockage itself was the cause for that area to become submerged.

We are not considering the claims for future loss of revenue or future advertisement as these damages are speculative and have not been incurred. We also do not feel that any action or lack of action taken by the city caused harm to the golf course that would cause future damages.

While the city is not responsible for water removal on private property cause by a storm event, the delay in removing the blockage justifies the golf courses need to rent pumps and hire a contractor to remove the blockage. It could also be argued that the city was not notified of this condition until 2 days after this event, and that we do not owe for the entire 5 days that the golf course was closed. In order to try and resolve your claim we have at this time considered the loss of revenue for the full 5 days.

This table provides an itemized breakdown of our offer.

Drain King	\$ 1,600.00
Pumps	\$ 1,395.00
<u>Green fees &amp; Carts</u>	<u>\$ 5,528.35</u>
Total Offer	\$ 8,523.35

Please note that the city is not necessarily liable for the flooding of the golf course during this unusually severe storm. Any flooded land within the 100 year flood plan is expected to become submerged during a severe precipitation event.

All claim settlements are global and we will not make partial payments on claims. In consideration of the documentation provided, and my calculations outlined above, my offer to settle this claim in full is \$8,523.35. If you have any questions or want to discuss this further feel free to contact me at my office phone number 651-215-4060.

Sincerely,

Chad Linden  
Claims Adjuster

Cc: City of Ramsey