

**City of Pleasant Ridge**  
23925 Woodward Avenue  
Pleasant Ridge, Michigan 48069

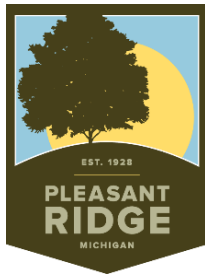
Regular Planning Commission Meeting  
Monday, July 26, 2021

Members of the Planning Commission, and Residents: This shall serve as your official notification of the Regular Meeting of the Planning Commission to be held Monday, July 26, 2021, 7:00 P.M., in the City Commission Chambers, Pleasant Ridge City Hall, 23925 Woodward Avenue, Pleasant Ridge, Michigan 48069. The following items are on the Agenda for your consideration:

**REGULAR PLANNING COMMISSION MEETING-7:00 P.M.**

1. Meeting Called to Order.
2. Roll Call.
3. Minutes:
  - a. Regular Planning Commission Meeting held Monday, April 26, 2021.
4. **PUBLIC DISCUSSION** – Items not on the Agenda.
5. Water Infrastructure Millage and rate discussion.
6. City Manager's Report.
7. Other Business.
8. Adjournment.

In the spirit of compliance with the Americans with Disabilities Act, individuals with a disability should feel free to contact the City at least seventy-two (72) hours in advance of the meeting, if requesting accommodations. If you have any ADA questions, please call the Clerk's Office (248) 541-2901.



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Pleasant Ridge, Michigan 48069

**Planning Commission Meeting**  
**April 26, 2021**

Having been duly publicized, Vice Chairman Wilkinson called the meeting to order at 7:00pm.

Present: Commissioners Corrigan, Vemula, McCoy, Bellak, Stiffman, Wilkinson.  
Also Present: City Manager Breuckman, City Commission liaison Perry.  
Absent: Commissioner Martin-Campbell, Matyas.

**Minutes**

**PC-2021-1571**

Motion by Commissioner Corrigan, second by Commissioner McCoy, that the minutes of Regular Planning Commission meeting held Monday, January 25, 2021, be approved.

Adopted: Yeas: Commissioners Corrigan, McCoy, Bellak, Stiffman, Vemula, Wilkinson.  
Nays: None

**Marijuana Facilities discussion**

Breuckman outlined that it is possible that the City may be considering a citizen-initiated ballot initiative in November that would allow for marijuana businesses in Pleasant Ridge if approved by the voters. This would require the City to be prepared with zoning and licensing ordinances to address this possibility. The statewide ballot initiative regarding recreational marijuana passed in November 2018. The City Commission considered whether to allow marijuana establishments in late 2018 and early 2019 and decided to opt out from allowing any recreational marijuana businesses in Pleasant Ridge. I have attached an agenda summary from January 2019 that outlines the concerns and reasons why that decision was made. All of the documents relating to that decision making process are available on the City website at: [https://cityofpleasantridge.org/lsvr\\_document/recreational-marihuana-establishments/](https://cityofpleasantridge.org/lsvr_document/recreational-marihuana-establishments/). However, state law includes a provision that allows a local ballot initiative to set the number of recreational marijuana establishments that a local community will license. If such an initiative passes the City will have to be ready with licensing and zoning regulations for such uses. The City Administration will be monitoring this item and will report back if there is any change to our approach.

## Election of Officers for the Pleasant Ridge Planning Commission/Downtown Development Authority

Breuckman reported Tom Treuter has resigned from the Planning Commission/DDA. Therefore, a new slate of officers will need to be nominated and elected.

**PC-2021-1572**

Motion by Commissioner Bellak, second by Commissioner Vemula, that Tom Wilkinson be nominated and appointed as Chairman, Fred McCoy be nominated and appointed as Vice-Chairman, and Pat Corrigan be nominated and appointed as Secretary to the Pleasant Ridge Planning Commission/Downtown Development Authority.

Adopted: Yeas: Commissioners Bellak, Vemula, McCoy, Corrigan, Stiffman, Wilkinson.  
Nays: None

## City Manager's Report

None.

With no further business or discussion, Chairman Wilkinson adjourned the meeting at 7:50pm.

Pat Corrigan, Secretary



# City of Pleasant Ridge

James Breuckman, City Manager

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From: Jim Breuckman, City Manager  
To: Planning Commission  
Date: July 22, 2021  
Re: Water Infrastructure Millage Educational Materials

## Overview

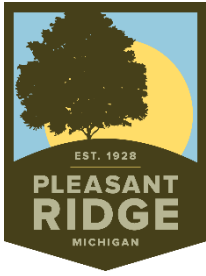
The City Commission has placed a millage request on the November election ballot. The request is for a 3.5 mill property tax to fund water infrastructure. The attached materials provide background information about why the infrastructure project is necessary, address frequently asked questions, and provide detail about the infrastructure project itself.

In addition to the attached materials, there are additional background documents and presentations available at [www.cityofpleasantridge.com/water](http://www.cityofpleasantridge.com/water) - including the April Town Hall meeting presentation and video.

I would appreciate if the Planning Commission could review the attached materials and provide any comments to me before we release these to the public.

## Requested Action

Planning Commission review and comment on the attached materials.



# Water Infrastructure Millage Executive Summary

## Why Is the City Asking for This Millage?

In 2018 the State adopted new lead and copper drinking water rules that require all water suppliers to replace all lead service lines at public cost. In Pleasant Ridge about 60% of our lead service lines are lead, and we estimate that it will cost about \$8.5 million to replace all of them. At the same time, our water mains are nearly 100 years old, are at the end of their useful life, and require replacement. Replacing our water mains is estimated to cost about \$16.5 million, for a total project cost of \$25 million.

The City Commission approved new water rates that will result in about a 35% utility bill cost increase for residents for FY22 (for water usage from July 1, 2021 through June 30, 2022). Approval of the millage in November would result in a total cost increase<sup>1</sup> for of about 6%, while allowing the City to restore water rates back to 2020 levels starting July 1, 2022 when the new millage takes effect.

## Millage Overview

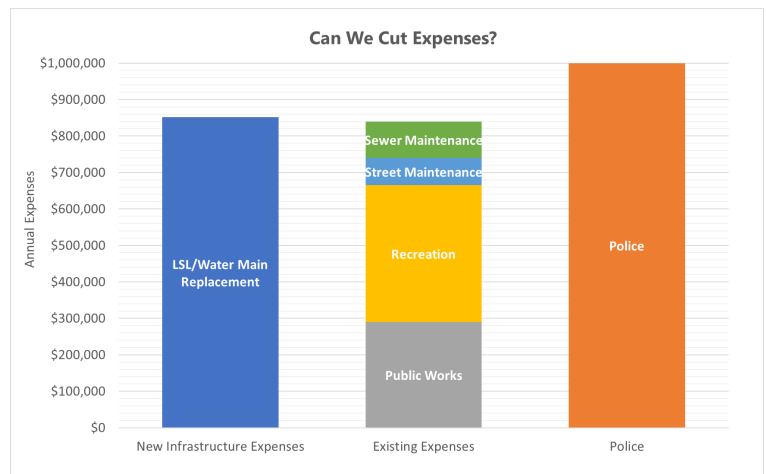
The City Commission placed a request for a 3.5 mill water infrastructure property tax on the November 2021 ballot. If approved the millage would provide funds for the City to complete water infrastructure projects including water main replacement, public and private lead service line replacement, and associated restoration work.

## Can The City Fund This Project Without Raising Property Tax Rates?

The short answer is no. The annual cost to complete the water infrastructure project will be about \$850,000 of new expenses. Our entire water fund had a budget of about \$1.2 million before this project, so the new cost is significant.

The chart at right shows what the City would have to cut to equal the new revenue needed to complete the water infrastructure project. It would require us to either:

- Eliminate all current sewer maintenance, street maintenance, the recreation department and all recreation programs, and all public works spending (i.e. DPW staff, lawn maintenance, tree maintenance, landscape maintenance, flower planting, etc.). Or,
- Eliminate the police department.



These cuts would be very difficult and result in a severe reduction of public service levels.

*(continued on reverse side)*

<sup>1</sup> The total increase includes the annual property taxes and utility bill costs paid by residents. The average increase is 6%, with all residents being between a 5% and 7% cost increase.

## What Are the Benefits of the Water Infrastructure Project?

There are two primary benefits that residents will see from this project:

1. Removal of all lead service lines from the water system (33% of total project cost), and
2. Replacement of our 100-year-old cast iron water mains that are at the end of their useful life (66% of total project cost)

Every resident who has a lead service line (the pipe running from the water main into the water meter in your house) will have that removed and replaced at public cost.

All the City's old cast iron water mains will be replaced. The existing water mains are 6 inches in diameter, while by current standards 8 inches is the minimum size for a water main.

Our mains are nearly 100 years old and are suffering from internal corrosion which reduces their effective size (see photo at right). The corrosion in the pipes is what causes brown water for a time after a fire hydrant is used – the high volume of water flowing through the main to the hydrant causes some of the corrosion to become dislodged, browning the water.

The old, small, corroded pipes cause reduced water pressure in our system. Our water system is still adequate for normal day to day water supply, but whenever a fire hydrant is opened it causes unacceptable pressure drops throughout the city. This is a result of the reduced capacity in our water mains due to age and corrosion.



*Corroded Iron Water Main*

Replacing the City's water mains will improve water pressure, fire flow rates, and overall system reliability. Our water distribution system is at its useful life and investing in our water infrastructure will ensure that we have reliable water service for the next 100 years. If we do not address this issue, it will only increase the cost to repair and replace our water infrastructure on an emergency basis in the future after it begins to fail.

## What Happens If the Millage Is Not Approved?

If the millage request is not approved in November, the water infrastructure project will continue to be paid for by increased water rates.

A concern with the higher water rates is that residents will use less water, generating less revenue for the water fund, creating shortfalls in the funding needed to complete the infrastructure projects, requiring the City to raise water rates even higher, causing residents to further reduce water usage, leading to new revenue shortfalls, and so on.

A property tax millage would provide a steady revenue source for the water infrastructure projects while allowing water rates to return to their previous level.

The question is not whether the City should take on this extra expense, but rather how we should pay for it.

## Where Can I Find More Information?

More information about the water infrastructure project, including background documents, presentation materials and video from the April water town hall meeting is available online at:

[www.cityofpleasantridge.org/water](http://www.cityofpleasantridge.org/water)



# 07-22-2021 DRAFT NOT FOR PUBLIC RELEASE

## Water Infrastructure Project Details

### Introduction

In 2018 the State adopted new lead and copper drinking water rules that require all water suppliers to replace all lead service lines at public cost. In Pleasant Ridge about 60% of our lead service lines are lead, and we estimate that it will cost about \$8.5 million to replace all of them. At the same time, our water mains are nearly 100 years old, are at the end of their useful life, and require replacement. Replacing our water mains is estimated to cost about \$16.5 million, for a total project cost of \$25 million.

This document provides details about the state of our water system and the infrastructure projects that we will be undertaking over the coming 20-30 years to remove all lead from our water system and reconstruct our aged, end of life water mains.

Details about project cost and funding are provided in the Water Infrastructure Millage Executive Summary fact sheet available online at: [www.cityofpleasantridge.org/water](http://www.cityofpleasantridge.org/water)

### What Will Be Replaced As Part of the Water Infrastructure Project?

There are two components to this project:

1. Removal of all lead service lines from the water system (33% of total project cost), and
2. Replacement of our 100-year-old cast iron water mains that are at the end of their useful life (66% of total project cost)

Every resident who has a lead service line (the pipe running from the water main into the water meter in your house) will have that removed and replaced at public cost.

### Cast Iron Water Mains

The City's existing water mains are cast iron water mains that are nearly 100 years old. The mains are at the end of their expected lifespan. They are also 6 inches in diameter, while the current standard minimum size for a water main is 8 inches in diameter.

Being nearly 100 years old, our cast iron water mains will have internal corrosion which reduces their effective size (see photo at right). The corrosion in the pipes is what causes brown water for a time after a fire hydrant is used – the high volume of water flowing through the main to the hydrant causes some of the corrosion to become dislodged, browning the water.

The old, small, corroded pipes cause reduced water pressure in our system. Our water system is still adequate for normal day to day water supply, but whenever a fire hydrant is opened it causes unacceptable pressure drops throughout the city. This is a result of the reduced capacity in our water mains due to age and corrosion.



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reliable water service for the next 100 years. If we do not address this issue, it will only increase the cost to repair and replace our water infrastructure on an emergency basis in the future after it begins to fail.

## Water System Pressure

The below map shows the current peak-hour static pressure. The areas in red are below 50 PSI and can suffer from peak-hour and fire flow pressure issues.

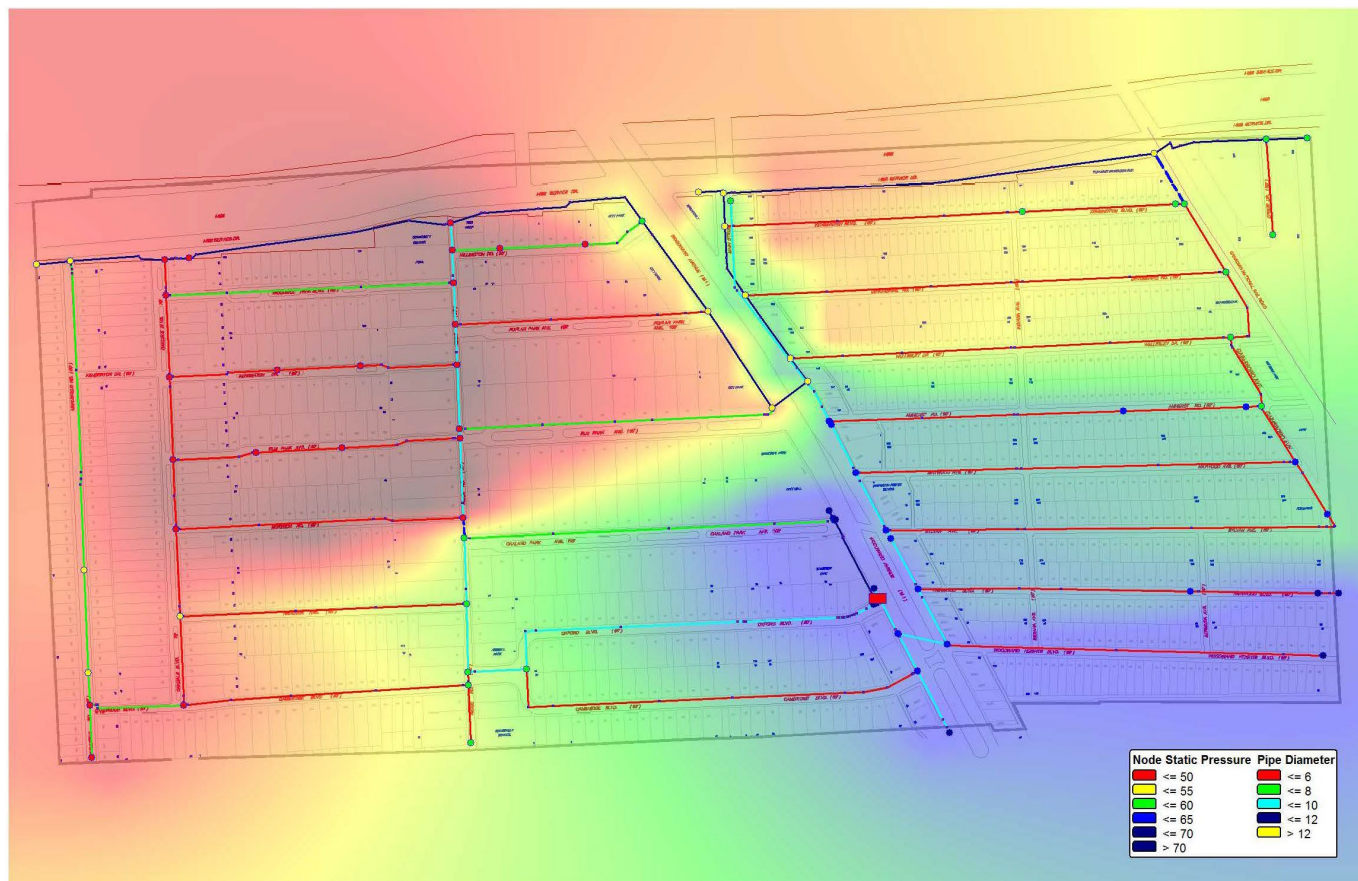
The colored lines on the map show the location and diameter of the existing water mains. The red lines are the original 6-inch water mains. Also of note is the red square at Woodward and Oxford – this is where the water flows into the City's system from the SOCWA distribution water main. All water in the city flows from that source, so it must travel from that point through all the pipes in between to get to your house.

The map shows that even on streets like Maplefield where the water main has already been replaced, water pressure suffers because the water must travel through old corroded 6-inch water mains to get to Maplefield from the SOCWA supply source. Those old mains act like a bottleneck, limiting water pressure even where there are new mains.

The areas in red on the west side of the city also experience unacceptable pressure drops when fire hydrants are used. There have been instances where homeowners on Elm Park Avenue lost water pressure when a fire hydrant was opened on the east side.

The water infrastructure project will improve water pressure throughout the City by replacing the old 6 inch water mains with new 8 inch mains, and also by constructing new water mains to improve water circulation through the City.

*Current Water System Pressure Map*





## New Water Mains

New water mains will be constructed along the west side of Woodward between Oakland Park and Elm Park, and along Indiana between Woodward Heights and the 696 Service Drive. These new water mains will provide additional loops in the system, helping to distribute water throughout the city more effectively and increasing reliability and water pressure. The new water main on Woodward will provide a more direct route for water to travel from the SOCWA source to the northwest portion of the City, improving water pressure and reliability in that entire area currently in the red zone.

The water mains on Elm Park Boulevard, Maplefield, and Millington have already been replaced with new 8-inch mains. Every other existing water main on the map on the previous page will be replaced as part of this project.

## Why Weren't the Water Mains Already Been Replaced When the Streets Were Rebuilt?

One reason that the water mains have not already been replaced is the unique soil that Pleasant Ridge sits on. Most surrounding communities have clay soils, which do not move and cause water main breaks. As a result, nearby communities have had to replace many of their mains already. Pleasant Ridge sits on sandy soil, which is a remnant of a sandbar from the old glacial lake that once covered this area. Sand is less dense than clay and moves in response to underground pressures, meaning that we have almost no water main breaks in Pleasant Ridge.

The street reconstruction projects started nearly 30 years ago when the mains were “only” 70 years old and still had useful life left. Furthermore, replacing the water main could double the cost of a street reconstruction project. While it would be better for us today if the mains had been replaced, the cost to replace them would have required larger property tax or water rate increases in the past to fund those replacements.

## When Will the Water Main on My Street Be Replaced?

We have divided the water infrastructure projects into two phases. We have developed a list of projects for the first 8-10 years. As we get to the end of phase one, we will start to prioritize streets for phase two projects.

The planned order of projects for phase one is as follows:

1. 2021 – Replace lead service lines on Elm Park Boulevard, Maplefield & Millington. This helps us meet the state lead service line replacement mandate at a lower cost since we must only replace the private side service lines which does not require excavating the street, and costs much less per house.
2. 2022 – Kensington
3. 2024 – Oakdale
4. 2026 – Wellesley
5. 2028 – New Indiana and Woodward (from Oakland Park to Elm Park) water mains

It will cost about \$1.6 million per street to replace the water mains on Kensington, Oakdale, and Wellesley, while we anticipate about \$850,000 of revenue per year. It will take two years' worth of revenue to pay for the replacement of each of those streets' water mains, which is why there is a project planned every other year for most of this first phase of projects.

## How Were the Water Infrastructure Projects Prioritized?

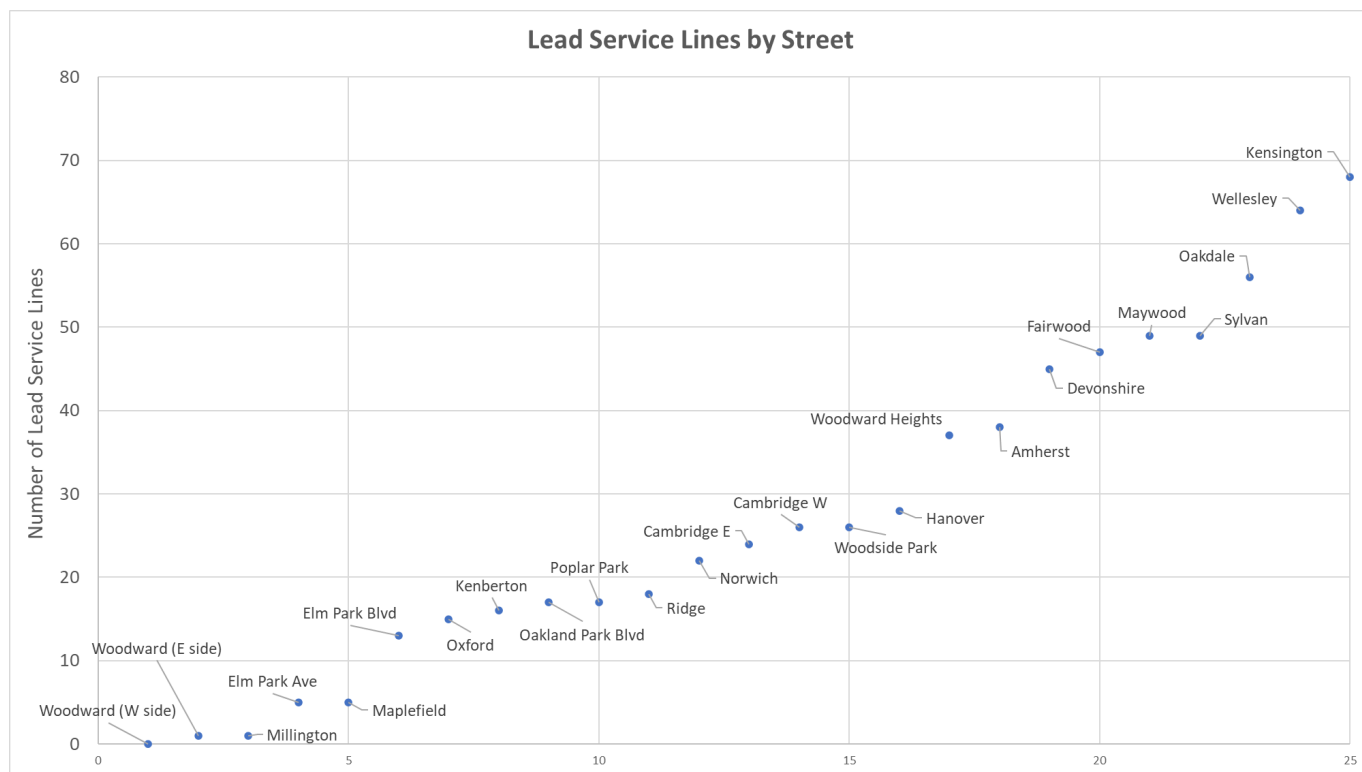
There are three considerations that we have used as we developed our list of streets. Those are:

1. Streets with the highest concentration of lead service lines will be addressed first.
2. Projects which provide a City-wide pressure and reliability benefit will be addressed second.
3. Age and condition of the street

The following chart shows the number of lead service lines on each street.

The list of projects in phase one on the previous page used considerations one and two, which is why Kensington, Wellesley, and Oakdale are the three water mains which will be replaced first. The construction of new mains on Woodward and Indiana provides system-wide benefits, which is why they will be the last project in phase one.

Phase two projects will be prioritized as we get closer to the end of phase one 8 years from now. Our streets will have aged a further 8 years at that time, and some of them will be showing more deterioration than others. If a street is deteriorating and requires repairs, we will combine the street repairs with the water main project to be as efficient as possible with our infrastructure funding. If all else is equal, we will continue to prioritize projects based on the number of lead service lines on the street.





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## Water Infrastructure Project FAQs

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### Why is the City doing this project?

In short it is because we are required to by the State.

The State of Michigan recently adopted new lead and copper rules<sup>1</sup> that require Cities to remove and replace lead service lines at public cost. The service line is the pipe that runs from the water main into the house. These replacements must be completed within 20 years, although Pleasant Ridge is working with the State to extend our timeline to 30 years due to the large project cost.

Nearly all our water mains are the original ones installed in the 1920s and are approaching 100 years old. Most of our water mains are 6 inches in diameter, whereas 8 inches is the minimum standard used today. Our water mains are made of Iron, which builds up deposits inside of the pipe over time, meaning that our water mains are functionally operating with a smaller diameter. This reduces flow capacity and can lead to pressure drops during times of high-water use and when a fire hydrant is opened.

Given that we have fire flow and water pressure issues, and that we will have to dig up the street to drill into the main for every service line replacement, it only makes sense to replace the water mains while we replace lead service lines to meet the State's mandate.

Refer to [www.cityofpleasantry.org/water](http://www.cityofpleasantry.org/water) for presentation materials and a video from the Water Infrastructure Town Hall held in April of 2021 for more detail on the coming water system improvements.

### Does the City have a problem with lead levels in our water?

No. Our water quality meets and exceeds all Federal and State standards, including lead levels. Replacing lead service lines will eliminate lead from our water system, but in the meantime, residents can be assured that our water quality is good. Refer to the following link for water quality testing results for all Michigan water suppliers, including Pleasant Ridge: [https://www.michigan.gov/mileadsafe/0,9490,7-392-104591\\_92796-500553--00.html](https://www.michigan.gov/mileadsafe/0,9490,7-392-104591_92796-500553--00.html)

### Will the City be replacing lead water service lines?

Yes, all lead service lines will be replaced at City cost. Please note that none of the water mains are lead, only the service lines that run from the main into the house.

### What is the timeline for this project?

This project will be completed over the course of 20-30 years. We expect to raise about \$800,000 of revenue annually, but the cost to replace the water main and service lines varies by street. Many of the streets with a high number of lead service lines are estimated to cost about \$1.6 million to replace the main and lead

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<https://ars.apps.lara.state.mi.us/AdminCode/DownloadAdminCodeFile?FileName=R%20325.10101%20to%20R%20325.12820.pdf>

service lines, so that's about two years' worth of revenue. We will be replacing a water main about every year or every other year over the course of the project, depending on how revenues and project costs align.

### I already know that my service line is copper. Can it remain?

Yes, any copper service lines will remain. Galvanized steel and lead will be replaced.

### How can I tell if my service line is lead?

The City has completed a preliminary materials analysis using records available in the office. The water meter installers will be noting the material of the service line coming into the house during the 2021 water meter replacement project. Once we have that information, we will send letters out to each house notifying residents of the information we have about their water service line. In the meantime, a preliminary inventory is available online at: <https://cityofpleasantridge.org/wp-content/uploads/2018/01/PreliminaryMaterialInventory.pdf>

### What will this cost us financially out of pocket?

Water rates were raised 35% for FY22 starting July 1, 2021, and ending June 30, 2022. The City Commission has placed a 3.5 mill property tax millage request on the November 2021 ballot that, if approved, would allow water rates to return to previous levels.

It is difficult to say what the exact cost will be for each household given that different water usage patterns and property values will create some variance. However, if the property tax millage is approved, it will result in a 6% total annual local tax + utility bill cost for residents.

If the property tax millage does not pass in November of this year, water rates will remain at their new, higher level.

### How were water rates adjusted this year?

Water rates consist of a flat ready to serve charge and a water and sewer usage rate. The ready to serve charge about doubled, to \$82.50 per billing period, while the water and sewer usage rate increased from \$78.75 last year to \$106.15 this current year.

Raising revenue via a flat fee increases costs more for low water users, while increasing the usage rate raises costs more for high water users. Our goal was to use both flat fee and usage rate increases to keep the cost increase as equal as possible across the board for low, medium, and high-water users (on a percentage increase basis). Nearly all water users will see about a 35% increase in utility bill costs due to the water rate increase for FY22.

### What is the water infrastructure millage on the November election ballot?

The City Commission has placed a 3.5 mill property tax request on the November election ballot. This property tax would raise the revenue necessary to complete the water infrastructure project instead of having to raise that revenue through water rates. If approved, the property tax millage would take effect July 1, 2022, and water rates would be reduced back to their previous levels.

## What will be the disruption to streets, yards etc. when service lines are replaced?

Replacing the water mains will require some excavation of the street. There are a few methods that can be used with different levels of disruptiveness. Open trench requires digging up everything, while directional drilling uses a few holes in the ground.

To replace the service line, they must dig a hole in the street where the service line meets the main, and where the stop box is located at the sidewalk. They pull the new line through the ground from these two locations and in the basement, so the process does not require trenching through yards.

We have replaced a few service lines on Amherst, addresses 1 through 10. You can see what the disruption looks like - the concrete repairs have not yet been made so where there is asphalt cold patch is where they had to dig to replace the service lines. No water main work has been done on Amherst yet, these first few service line replacements were done so that we could get familiar with the process.

## I have decorative paving or other improvements in my yard, will they be replaced/restored?

The City will be doing basic concrete restoration, but it is unlikely that we will be bearing the extra cost for restoration of higher-level improvements such as expensive landscaping, blue stone pavers, etc. Those repair costs will fall to the homeowner. The City cannot bear the extra cost for bespoke restoration work on private property at public expense, as that would be spending public money on private improvements and would raise the overall cost of the project. We'll try to limit the disruption to the minimum necessary, of course.

## What do I need to do to prepare for lead service line replacement?

For now, nothing. You will want to make sure that your water meter remains accessible in the basement and is not blocked by walls or other obstructions. You should also keep in mind that the area around the stop box in your yard will eventually be dug up if you have a lead service line and any landscaping or hard scape improvements will not be replaced, other than standard concrete or grass seed.

## What role is the water meter replacement project going to play in this?

The water meter replacement project is separate. Water meters need to be replaced every 25 years or so, and we are at the point where meters need to be replaced. The installers are noting what the service line material is coming into the house to provide us with one more data point to inform the lead service line replacement project.

## Are the water mains in the street? If yes, how will they be replaced given most of the streets were replaced recently?

Yes, the mains run under the street. Part of how we prioritize which project to do will depend on the age and condition of the street. The first streets were rebuilt in the 90s, so they are nearly 30 years old. Our streets are generally in good shape, so this is only a secondary consideration in how we will prioritize projects.

Mains can be replaced either by open trench or by directional drilling which requires fewer points of excavation, but we must dig down to the main where lead service lines tap into the main, so there is going to be disruption to the streets. It's unfortunate that we must dig up streets that are in good condition, but we are responding to a State mandate so we do not have a choice.

### Did the City consider financing to complete this project quicker?

We did consider financing the project through loans or by selling bonds, but even at low 2% interest rates it increased the total cost of the project by \$8.5 million. That is a 33% increase in what we project to be the total project cost. Even if labor and materials increase faster than inflation, we think there is a good chance that the total project cost still ends up being cheaper using pay as you go rather than financing it.

Another issue is that we cannot bond for the entire cost of this project because there is a limit on how much bond debt we can issue, and that limit is lower than what we would need to borrow to do this project.

Finally, many of our streets are still relatively new and in good shape. Spreading this project out over 30 years helps us coordinate the water main projects with the street maintenance projects. Kensington is the first street we intend on doing partly because the concrete on that street is in worse shape than most other PR streets. Our oldest streets are now about 25 years old, so as the streets continue to age and require more maintenance work, we will coordinate that work with water infrastructure work to the best of our ability.