



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

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To: The Honorable Ralph S. Northam, Governor

The Honorable Matthew J. Strickler
Secretary of Natural Resources

The Honorable Thomas K. Norment, Jr.
Co-Chairman, Senate Committee on Finance

The Honorable Emmett W. Hanger, Jr.
Co-Chairman, Senate Committee on Finance

The Honorable Richard H. Stuart
Chairman, Senate Committee on Agriculture, Conservation and Natural Resources

The Honorable S. Chris Jones
Chairman, House Committee on Appropriations

The Honorable Daniel W. Marshall III
Chairman, House Committee on Agriculture, Chesapeake and Natural Resources


The Honorable David L. Bulova
Vice-Chair, Chesapeake Bay Commission

The Honorable Robert S. Bloxom, Jr.
Member, Chesapeake Bay Commission

The Honorable John Cosgrove
Member, Chesapeake Bay Commission

The Honorable Tony O. Wilt
Member, Chesapeake Bay Commission

Dennis H. Treacy
Member, Chesapeake Bay Commission

From: David K. Paylor 

Date: January 1, 2020

Subject: Combined Sewer Overflow Outfall Progress Report (2019)

In accordance with the 2017 Virginia Acts of Assembly Chapters 826 and 827, the Department of Environmental Quality is transmitting the attached 2019 General Assembly Report for Virginia Pollution Discharge Elimination System (VPDES) Permit VA0087068 from RiverRenew, a program implemented by Alexandria Renew Enterprises (AlexRenew) with support from the City of Alexandria.

If you have any questions concerning this report or would like a hard copy of this report, please contact Brandon Bull, Water Policy Manager, at (804) 698-4092.



October 15, 2019

Tom Faha, Director
Virginia Department of Environmental Quality
Northern Regional Office
13901 Crown Court
Woodbridge, VA 22193-1453

Subject: 2019 General Assembly Report for Virginia Pollution Discharge Elimination System (VPDES) Permit VA0087068

Dear Mr. Faha:

In accordance with Part I, Paragraph F.9 of the Virginia Pollutant Discharge Elimination System (VPDES) Permit VA0087068, Alexandria Renew Enterprises (AlexRenew) is submitting this letter to report on the implementation status of the approved 2018 Long Term Control Plan Update (LTCPU).

AlexRenew has made significant progress with respect to the implementation of the LTCPU over the past year. The approved LTCPU, branded as “RiverRenew” since July 2018, includes four (4) major projects that are currently underway and discussed herein. The 2019 General Assembly Report will provide updates on:

- Programmatic costs and funding associated with RiverRenew;
- Third party coordination and permitting milestones;
- Implementation status for each RiverRenew project;
- Stakeholder outreach and engagement efforts; and
- A one-year look ahead to major milestones anticipated in 2020.

RiverRenew Program Cost and Funding

Capital costs associated with RiverRenew are currently estimated between \$370 million and \$555 million and will be largely funded by sewer rate increases imposed on Alexandria residents. Firmer cost projections for the program will be available in December 2020, when a design-build contract is awarded for the Tunnel System Project.

In February 2019, the Virginia General Assembly authorized \$25 million in Virginia Public Building Authority (VPBA) bonds in support of RiverRenew and its associated projects. AlexRenew and the City of Alexandria are grateful for the support. Due to the significant cost of this program, AlexRenew and the City of Alexandria jointly request additional VPBA authorizations of \$30 million and \$35 million be included in the FY21 and FY22 budgets, respectively, to reduce the financial burden on residents.

In 2017, the General Assembly passed Senate Bill 898 which mandated that the combined sewer outfalls be remediated by July 1, 2025. This schedule represents one of the most accelerated of its kind in the United States for combined sewer remediation projects and prohibits AlexRenew from

spreading reasonable rate adjustments over a long period of time. Implementing RiverRenew over a short period of time could subject ratepayers to “rate shock.” Additional State financial assistance will help mitigate these inordinate, short-term impacts on ratepayers.

The additional \$65 million in VPBA funding will be applied to the RiverRenew’s design and construction costs and bring the total State financial assistance to \$90 million. This amount is commensurate with State financial assistance provided to Richmond and Lynchburg for their respective combined sewer remediation projects.

Following the LTCPU approval in late June 2018, approximately \$26 million has been spent on the planning, permitting, design, and construction of RiverRenew. As illustrated in Figure 1, yearly expenditures are anticipated to increase dramatically as the program advances into the construction phase. The magnitude and timing of sewer rate increases directly correlate to this spending.

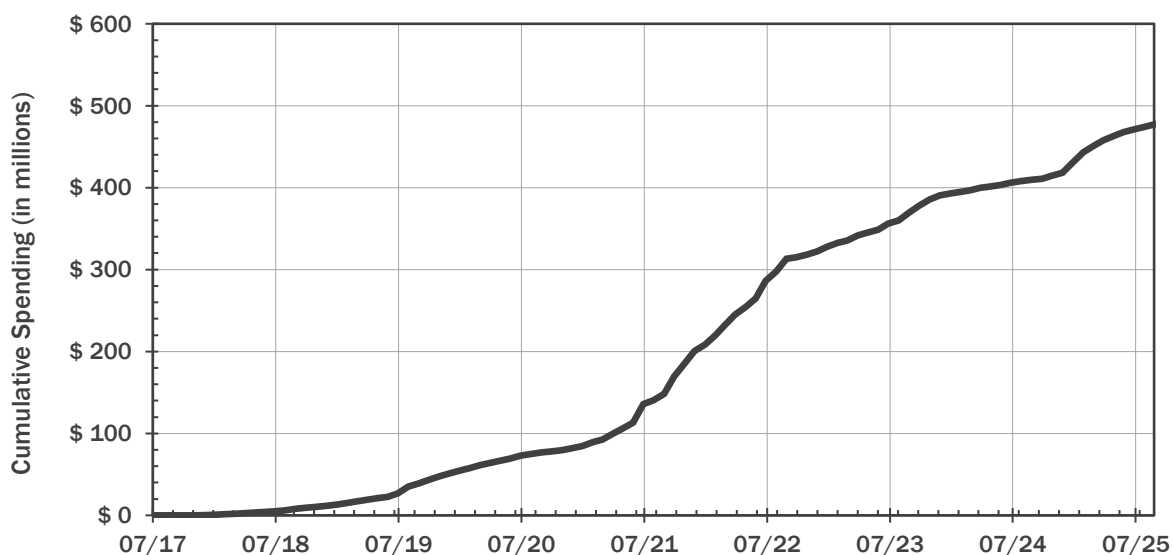


Figure 1. Estimated RiverRenew Spending to Meet General Assembly Mandate

In July 2019, AlexRenew implemented its first sewer rate increase associated with RiverRenew. On average, residents will see an increase of approximately \$55 per year in their bills over the next two years. In FY22, sewer rate increases are estimated to increase sharply and total between \$20 and \$40 per month on top of current sewer bills. Based on current projections, Alexandria residents will have contributed approximately \$5,000 per household to fund RiverRenew through 2025.

Summary of RiverRenew Projects

To comply with the 2017 legislative mandate, AlexRenew is in the process of implementing four (4) major projects that include:

- **Tunnel System Project.** 12-foot diameter, 2-mile-long storage and conveyance tunnel; 6-ft diameter, 0.5-mile-long conveyance sewer; 20-million-gallon-per-day tunnel dewatering pumping station; 130-million-gallon-per-day wet weather pumping station; and wet weather treatment.

- **WRRF Site Security and Access Project.** Upgrades to AlexRenew’s existing access points and site security system to accommodate construction at the Water Resource Recovery Facility (WRRF).
- **108 to 116 MGD Expansion Project.** Upgrades to AlexRenew’s primary pumping capacity at the WRRF.
- **Building J Facilities Relocation and Decommissioning Project.** Relocation of facilities including the WRRF laboratory, chiller system, and instrumentation and controls system; and decommissioning of AlexRenew’s former administrative building.

Overall implementation schedules for each project are summarized in Figure 2.

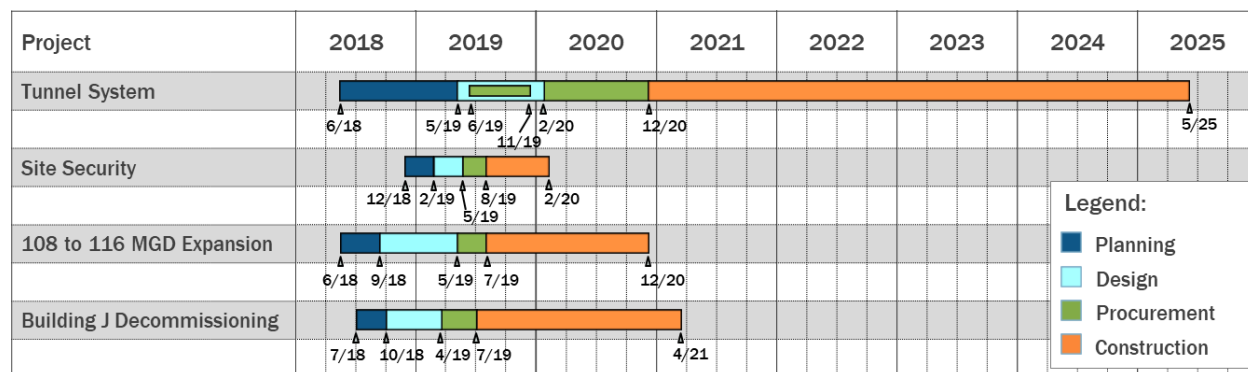


Figure 2. Overall Implementation Schedule for RiverRenew Projects

RiverRenew Permitting Status Update

On March 1, 2019, AlexRenew submitted the Final RiverRenew Preliminary Engineering Report (PER) to the Virginia Department of Environmental Quality (VDEQ). The PER provided a thorough analysis of the proposed engineering alternatives for the RiverRenew projects with considerations for potential impacts to the community, regulatory and permitting requirements, existing conditions, operations and maintenance, procurement methodologies, cost, and schedule to meet the 2017 legislative mandate. The PER concluded with technically preferred alternatives for each project and was approved by VDEQ on June 11, 2019.

Due to the accelerated timeline required to comply with the 2017 legislative mandate, the PER was developed concurrently with the RiverRenew Environmental Assessment (EA). The EA was conducted to comply with the National Environmental Policy Act of 1969 since portions of the program require permits and approvals from the National Park Service (NPS) to construct within property under their ownership. Development of the EA required significant community outreach in order to receive feedback to make an informed decision on a preferred alternative. The EA was released to the public on June 19, 2019, which was followed by a 30-day comment period that closed on July 19, 2019. During the public comment period, AlexRenew held three (3) community listening sessions to present the findings of the EA and highlight the preferred alternative. The community listening sessions also provided a forum for the community to pose questions and discuss the preferred alternative. Over 100 community members attended the community listening sessions and nine (9) public comments were submitted to the NPS. AlexRenew is currently working with the NPS and Virginia Department of Historic Resources to finalize a programmatic agreement to address the potential discovery of archeological

resources during construction. The NPS will issue a decision document once the programmatic agreement is finalized. The decision document is anticipated to be published in late 2019.

As presented in last year’s General Assembly Report, AlexRenew assumed responsibility of the Combined Sewer System Virginia Pollution Discharge Elimination System (VPDES) Permit (VA0087068) from the City of Alexandria in September 2018. As part of the renewal process for the WRRF VPDES Permit (VA0025160), AlexRenew requested that the two permits be consolidated. AlexRenew submitted a VPDES Permit renewal application to VDEQ on August 9, 2019 and VDEQ determined that the application was administratively complete on August 19, 2019. It is anticipated that VDEQ will issue the renewal of the VPDES Permit in early 2020.

On September 12, 2019, AlexRenew submitted a Joint Permit Application to the U.S. Army Corps of Engineers, VDEQ, and Virginia Marine Resources Commission requesting authorization under Sections 401 and 404 of the Clean Water Act for proposed impacts to jurisdictional wetlands and other waters of the U.S. associated with construction of the Tunnel System Project. As of this submittal, the application review is still in progress.

AlexRenew coordinated with the City of Alexandria through the Development Special Use Permit (DSUP) process to obtain preliminary site plan approvals for components associated with the Tunnel System Project. The preliminary site plan for the drop shafts and diversion chambers was approved by City Council on July 9, 2019. Separately, the preliminary site plan for the tunnel dewatering and wet weather pumping station and associated superstructure, was approved by City Council on September 14, 2019.

Implementation Progress for WRRF Projects

Design associated with the WRRF Site Security and Access, 108 to 116 MGD Expansion, and Building J Facilities Relocation and Decommissioning was finalized in 2019, and the projects were subsequently issued for bid. As of this submittal, the WRRF projects are currently under construction. Table 1 summarizes the major procurement dates, contractor information, construction cost, and percent complete for each project at the WRRF.

Table 1. Implementation Progress for WRRF Projects

Project	Design Completion	Construction Notice to Proceed	Contractor	Construction Cost	Percent Complete
WRRF Site Security and Access Project	May 2019	August 2019	Sorensen Gross	\$1,527,000	3%
108 to 116 MGD Expansion Project	May 2019	July 2019	American Contracting & Environmental Services	\$2,665,000	5%
Building J Facilities Relocation and Decommissioning	April 2019	July 2019	Clark Construction	\$19,409,800	5%

Tunnel System Project Implementation Progress

The Tunnel System Project is being procured through a two-step design-build process that involves a Request for Qualifications (RFQ) step and Request for Proposals (RFP) step. On June 7, 2019

AlexRenew issued the Tunnel System Project RFQ, which was followed by an Information Session that attracted over 100 industry professionals.

In response to the RFQ, AlexRenew received Statements of Qualifications (SOQ) from eight (8) design-build teams. The SOQ's were evaluated based on factors outlined in the RFQ that included key personnel, project experience, risks and mitigation, and safety. This evaluation resulted in a shortlist of three design-build teams that is summarized in Table 2.

Table 2. Shortlisted Design-Build Teams for the Tunnel System Project

Design-Build Team*	Contractor(s)	Designer(s)
01	Clark Construction Group/ Guy F. Atkinson Construction/ Michels Corporation (LLC)	COWI North America, Inc. Arcadis U.S., Inc.
02	Kiewit Infrastructure Co./ McNally Tunneling Corporation (JV)	McMillen Jacobs Associates Wade Trim
03	Traylor Bros., Inc./ J. F. Shea Construction, Inc. (JV) Corman Kokosing	Jacobs Engineering Group

*Note: Teams listed in alphabetical order.

In addition to the shortlist and PER discussed earlier, AlexRenew advanced the Tunnel System Project RFP Documents to a 60 percent level of completion on September 16, 2019. The 60 percent RFP Documents include preliminary engineering drawings, specifications, data and baseline reports that are anticipated to be released to the shortlisted design-build teams on February 11, 2020. This work has been supported by ongoing site investigations consisting of site survey, bathymetry, wetland delineation, utility locating, and completion of 60 borings to collect soil and environmental data.

Stakeholder Outreach and Engagement

In October 2018, Alexandria City Council passed a resolution for the establishment of the RiverRenew Stakeholder Advisory Group (SAG) to be an active and informed citizen group providing diverse perspectives throughout the various phases of RiverRenew's implementation. In December 2018, AlexRenew and the City jointly established the RiverRenew SAG through City Council Resolution No. 2850. The 13-member SAG represents a diverse group of citizens from Alexandria neighborhoods, businesses, and environmental groups. The group is tasked with reviewing and monitoring program progress, serving as spokespeople for RiverRenew, receiving input from the public, and providing input on strategies to mitigate community impacts. The group has met six (6) times since convening and will continue to meet through the end of the year.

In accordance with the 2018 Outfall Transfer Agreement between AlexRenew and the City of Alexandria, the City Council-AlexRenew Board Workgroup has continued to meet on a quarterly basis over the last year. The workgroup consists of Mayor Justin Wilson, Councilwoman Amy Jackson, AlexRenew Board Chair John Hill, and AlexRenew Board Vice-Chair Patti Turner. The group has served as a liaison to review plans, implementation progress, costs, and financing to minimize community impacts and maximize community benefits. In August 2019, the workgroup visited DC Water's

Northeast Boundary Tunnel Project, which included a tour of the tunnel, tunnel boring machine, and construction worksite supporting tunneling operations.

To coincide with rate increases associated with RiverRenew in July 2019, AlexRenew executed a rate campaign from March through May 2019. The rate campaign consisted of a multi-faceted approach that included digital, print, and in-person initiatives to reach ratepayers and community members. The rate campaign included the following major components:

- Social media push to drive traffic to the rate education webpage on AlexRenew's website;
- Rate-focused flyers and graphics in both Spanish and English;
- A rate flyer specifically tailored to property management companies;
- Email blasts to AlexRenew's distribution lists, civic associations, faith leaders, and community organizations;
- Briefing and engagement of Alexandria's 5-1-1 utility hotline operators;
- A rate hotline;
- Advertisements in local Alexandria newspapers;
- Op-ed's in the local Alexandria newspapers drafted by Mayor Justin Wilson and AlexRenew Board Chair John Hill;
- Engagement of the RiverRenew SAG;
- Open house at AlexRenew's Environmental Center on April 28, 2019; and concluded with
- A public hearing at AlexRenew's Environmental Center on May 11, 2019.

Since our last update, AlexRenew has conducted over 25 community presentations and attended or hosted over 20 community events related to RiverRenew. In addition to the community listening sessions, rate campaign, SAG, and workgroup engagement discussed earlier, other community and event highlights included:

- Various community "pop-ups" to discuss specifics of the EA and Tunnel System Project;
- City of Alexandria Earth Day participation;
- 31st Annual Potomac River Watershed Cleanup;
- Chesapeake Bay Foundation Clean the Bay;
- Carlyle Block Party participation;
- Old Town Portside Festival participation; and
- Water Discovery Day hosted by AlexRenew, the City of Alexandria, and Virginia American Water.

In addition to community outreach efforts within Alexandria, AlexRenew has also developed a significant online presence for the RiverRenew brand. The RiverRenew website (riverrenew.com) has been a resource for the community to stay up-to-date on events, learn details about the program, and stay engaged as the program progresses toward construction. One key area of engagement on the website was the community tunnel naming contest, which resulted in the naming of the Waterfront Tunnel and Hooffs Run Interceptor. In October 2019, AlexRenew launched Tunnel Takeover Tuesday on its social media pages to focus one day per week on water quality, tunneling and heavy-civil construction, and solicit feedback on what cleaner waterways mean to the community.

AlexRenew partnered with the City of Alexandria’s Public Art Program to develop the City of Alexandria Public Art Residency at AlexRenew. This new collaboration is designed to enhance the community giveback aspect for RiverRenew and increase the community’s connection to water stewardship. The Public Art Residency at AlexRenew is divided into three (3) phases over the lifetime of the RiverRenew program. In August 2019, AlexRenew awarded the first residency to Sto Len. Mr. Len is an environmental artist who grew up in Alexandria and uses water as the primary artistic focus in his work. By October 2020, Mr. Len will implement a temporary or permanent public art project at a publicly owned location within Alexandria. The art installation will include a strong community interaction component that can be tied back to RiverRenew.

AlexRenew has conducted extensive third-party coordination with federal agencies, state agencies, and private landowners that may be affected by the implementation of RiverRenew. Additionally, AlexRenew is actively coordinating with private landowners and utility agencies where necessary to execute temporary and permanent easements and utility relocations that may be required to construct the Tunnel System Project.

Next Steps and Closing

Table 3 summarizes the major milestones and next steps in the implementation of RiverRenew over the course of the next year based on the major headings outlined herein.

Table 3. Major RiverRenew Milestones and Next Steps from November 2019 through October 2020

Item	Milestone/Next Steps
Program Cost and Funding	<ul style="list-style-type: none"> • Continue to solicit funding from the State. • Begin rate increase campaign for FY22.
Permitting	<ul style="list-style-type: none"> • Finalize the consolidation of AlexRenew’s VPDES permits in early 2020. • Acquire major federal and state permits required for the Tunnel System Project by June 2020.
WRRF Projects	<ul style="list-style-type: none"> • Complete construction of the WRRF Site Security and Access Project by February 2020. • Complete construction of the 108 to 116 MGD Expansion Project by December 2020. • Finalize the new WRRF laboratory for occupancy by August 2020 and begin demolition of Building J.
Tunnel System Project	<ul style="list-style-type: none"> • Issue the Tunnel System Project RFP Documents to the shortlisted design-build teams in February 2020. • Conduct confidential meetings with the shortlisted design-build teams from March through June 2020. • Award the Tunnel System Project design-build contract in October/November 2020.
Stakeholder Outreach and Engagement	<ul style="list-style-type: none"> • Finalize easement agreements for the Tunnel System Project. • Execute agreements with utility agencies to relocate existing utilities that conflict with structures associated with the Tunnel System Project. • Continue to engage the SAG and Workgroup. • Continue to engage the community through events, presentations, website, and social media.

We greatly appreciate VDEQ's continued support and assistance as we implement this environmentally beneficial program for Alexandria. Should you have any questions or comments, please contact me directly at (703) 549-3382 ext. 2202 or karen.pallansch@alexrenew.com.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen Pallansch".

Karen Pallansch
AlexRenew General Manager

Copy: Douglas Frasier, VPDES/VPA Permit Writer, Senior II, VDEQ
Bryant Thomas, Regional Water Permit & Planning Manager, VDEQ
Emily Baker, City of Alexandria, Deputy City Manager
Liliana Maldonado, AlexRenew Deputy General Manager
Caitlin Feehan, RiverRenew Program Manager
Jonathan Rak, McGuireWoods LLP
Preston Bryant, McGuireWoods LLP