



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Legislation Text

File #: ORD. 2025-223, **Version:** 1

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept funds in the amount of \$100,000,000.00 from the Virginia Department of Environmental Quality and to amend the Fiscal Year 2025-2026 Wastewater Utility Budget which appropriated the estimated receipts of the wastewater utility, by increasing estimated receipts and the amount appropriated for the wastewater utility by \$100,000,000.00 for the purpose of funding the Canoe Run Park Storage Tank project.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer is authorized to accept funds in the amount of \$100,000,000.00 from the Virginia Department of Environmental Quality for the purpose of funding the Canoe Run Park Storage Tank project.

§ 2. That Article 1, Section 11 of Ordinance No. 2025-057, adopted May 12, 2025, which adopted the Wastewater Utility Budget for the fiscal year commencing July 1, 2025, and ending June 30, 2026, be and is hereby amended by increasing the estimated receipts of the wastewater utility and the amount appropriated for expenditures of the wastewater utility by \$100,000,000.00 for the purpose of funding the Canoe Run Park Storage Tank project.

§ 3. This ordinance shall be in force and effect upon adoption.

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: September 2, 2025

EDITION: 2

TO: The Honorable Members of City Council

THROUGH: The Honorable Danny Avula, Mayor

THROUGH: Odie Donald II, Chief Administrative Officer

THROUGH: Tanikia S. Jackson, DCAO for Finance and Administration

THROUGH: Letitia Shelton, Director of Finance

THROUGH: Meghan Brown, Director of Budget and Strategic Planning

FROM: Scott Morris, Director of Public Utilities

RE: TO AMEND THE FY 2026 ADOPTED WASTEWATER UTILITY BUDGET AND TO AUTHORIZE THE CHIEF ADMINISTRATIVE OFFICER TO ACCEPT AND APPROPRIATE FUNDS FROM THE COMMONWEALTH OF VIRGINIA, DEPARTMENT OF ENVIRONMENTAL QUALITY IN THE AMOUNT OF \$100,000,000.00 FOR THE CANOE RUN PARK STORAGE TANK PROJECT.

ORD. OR RES. No.

PURPOSE: To amend Ord. No. 2025-057 adopted May 12, 2025, which adopted the Wastewater Utility Budget for FY 2026, and to authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept funds in the amount of up to \$100,000,000.00 from the Commonwealth of Virginia, Department of Environmental quality and appropriate the revenues by amending the FY 2026 Wastewater Utility Budget for the Canoe Run Park Storage Tank Project.

BACKGROUND: On August 7, 2024, the Department of Public Utilities received approval for its Combined Sewer System (CSS) Final Plan in response to the 2020 CSO Law (SB 1064). The CSS Final Plan included a concept plan to construct a 6-million-gallon combined sewer overflow (CSO) storage tank to mitigate overflows of CSO-040, capturing approximately 80-million gallons of untreated overflow volume within an average year. The storage tank is planned to include, odor control, a cleaning system, a diversion structure and connections to the existing sewer. The project site is located within a City owned property at Canoe Run Park which is bounded by Riverside Drive, Semmes Avenue, W 22nd Street and W 24th Street, a 10-acre park with a walking loop, benches, playground and picnic structures.

In support of the City's Combined Sewer Overflow (CSO) Program, the Virginia General Assembly appropriated state grant funds (HB1600 and SB800) to the City of Richmond for fiscal years 2025 and 2026, in the amounts of \$75 million and \$25 million, respectively. Pursuant to the passing of HB1600 and SB800, both DPU and DEQ coordinated on the development of the grant agreement to allow the City to be reimbursed for the capital costs associated with the implementation of Canoe Run Park Storage Tank Project.

The project is anticipated to be procured using a Fixed-Price Design-Build delivery method and the project costs are expected to be in the range of \$100-140 million. The design-build project delivery method means that

the City executes a two-step procurement (Request for Qualifications followed by Request for Proposals) to contract with a team comprised of both an engineering firm and a construction general contractor. The design-build team manages the project through both the design and construction phases, ensuring it stays on budget and on schedule. The design-build delivery method establishes a single fixed-price contract which covers both design and construction services. The design-build delivery will provide better opportunity for construction contractor input into the value engineering process, more accurate pre-construction cost estimates, accelerated advance ordering of key long lead time equipment and is expected to reduce potential change order costs during construction. The design-build delivery will also provide better bidding opportunities for local, minority and emerging small business subcontractors and has a 10 percent minority business enterprise participation goal.

DPU is finalizing the Request for Qualifications document and preliminary engineering report and in the process of defining the general facility requirements and obtaining site investigation data that will be required for define the technical requirements and contractual terms and conditions included Request for Proposals for design-build services. The Request for Qualifications and Request for Proposals are expected to be issued in September 2025 and January 2026, respectively. DPU anticipates an to award a contract in June 2026 and the project is currently estimated to be completed in December 2029.

COMMUNITY OUTREACH: Community outreach efforts have been ongoing throughout the planning phase of the Canoe Run Park Storage Tank project and will continue through the design and construction phases. Outreach efforts to date have included:

- In coordination with 5th District Councilmember Lynch and her office, a virtual community meeting was held on July 9, 2025 to inform the public about the upcoming project;
- The project has been shared with, and feedback received from, the RVAH2O Technical Stakeholders at the Department of Public Utilities' regular RVAH2O meetings;
- Coordination with Department of Parks, Recreation, and Community Facilities to inform them of the need to close Canoe Run Park to the public during construction; and
- Project information is available at www.rvah2o.org < and will be updated with additional relevant information as the project has progressed.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: The Canoe Run Project aligns with the goals of the RVA Clean Water Plan, Combined Sewer System Final Plan, and the requirements of the 2020 CSO

Law (SB 1064).

FISCAL IMPACT: The FY 2025-2026 Wastewater Utility budget will be amended to accept funds and appropriate \$100,000,000.00 of funds to the Wastewater Utility.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: September 22, 2025

CITY COUNCIL PUBLIC HEARING DATE: October 14, 2025

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Governmental Operations Committee

AFFECTED AGENCIES: Department of Public Utilities; Finance Department; Budget and Strategic Planning; copies also sent to: City Mayor (Danny Avula); Chief Administrative Officer (Odie Donald II); and City Attorney (2).

RELATIONSHIP TO EXISTING ORD. OR RES.: Amend Ord. No. 2025-057 adopted May 12, 2025

ATTACHMENTS: Virginia Department of Environmental Quality Grant Agreement SLAF Grant No.: 2025-CSO-01

STAFF: Billy Vaughan, Deputy Director, DPU - (804) 646-5232

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