

SCOPE OF SERVICES

Wallace Group proposes the following scope of services, based on the City's Request for Proposals (RFP) for the Sanitary Sewer Master Plan update and outline scope requested. We look forward to discussing the scope of work with the City.

Task 0: Project Management and Meetings

Task 0.1: Project Management and Coordination

This Task includes day-to-day coordination of project activities, including scheduling and budget controls, staffing needs and coordination, Client coordination, monthly status updates, and other related project management activities. This Project Management Budget is based on an overall implementation schedule of 12 months.

Task 0.2: Kick-off Meeting and Field Review of Facilities

We will coordinate and attend a kick-off meeting with key Team members and City staff. This is a very key meeting, and as such, even with the COVID-19 Pandemic, this is planned to be an in-person meeting. On or before the meeting, we will provide the City with a list of information needs. We will prepare the meeting agenda and minutes for this meeting. This meeting will focus on scope of work, schedule, deliverables, and other components of the project so that the project direction is agreed upon by the Team members in advance. We will request that any items that may be of importance for the completion of the report be provided to us at the time of the kick-off meeting. Following the kick-off meeting we will tour the City's collection system facilities, including lift stations to gain a better understanding of the operations and constraints. This is also a great opportunity to talk with the collection system operators to better understand their concerns about how the collection system functions and identify known problem areas.

Task 0.3: Review and Progress Meetings

To ensure coordination with the City throughout the project duration, we will attend monthly meetings (via Zoom). The budget is based on a total of 12 meetings through the duration of the proposed schedule. Meetings may be adjusted as to frequency based on need and will be coordinated with the City as the Project progresses. We will prepare the meeting agenda and minutes for these meeting. For efficiency, we will schedule milestone meetings to coincide with the monthly meetings. We recommend the milestone meetings be in person to discuss the City's comments on the deliverables. We will also be available for additional meetings at the request of the City on a time and materials basis.

Task 0.4: City Council Meetings

We will attend two City Council meetings to review the Sanitary Sewer Master Plan Update, one meeting to present the draft Master Plan Update, and the second meeting to present the final Master Plan Update and to answer any final questions Council may have. We will prepare a Power Point presentation for both City Council meetings.

Task 0.5: QA/QC

Wallace Group and respective subconsultant team members will provide in-house quality assurance and quality control (QA/QC) at the various milestone stages. The QA/QC will be conducted by senior or principal engineers within the respective firms.

Task 0.0 Deliverables:

- Email documentation of meetings, information needs/request, and pertinent project coordination correspondence including monthly status updates (PDF only).
- Council Power Point Presentations

Task 1: Document Review and Data Collection

Task 1.1: Document Review and Data Collection

We will review the existing 2011 Sanitary Sewer System Master Plan, and details of the existing sanitary sewer system:

1. Review scope of services with City staff and review relevant documents, including but not limited to:
 - Sanitary Sewer Management Plan (SSMP)
 - Sewer Rate Study
 - Salinas General Plan
 - Economic Development Element
2. Review City's sanitary sewer records to identify recent improvements constructed.
3. Coordinate with the City to obtain future development plans.
4. Review the City's closed-circuit television (CCTV) inspection videos, maintenance records, and meet with City staff to identify areas of concern regarding sewer mains (both gravity and force) and pump stations. The proposed budget for CCTV review is based on an assumed one hundred thousand miles (100,000 LF) of CCTV video to be reviewed, with an associated review cost of \$0.50/LF (or \$2,640 per mile). The review of CCTV video includes documenting observations and problem areas, which will be summarized in the Sewer Master Plan Update, and conditions of problem areas will be documented per NASSCO designations, and included in the CIP ranking matrix for development of CIP recommendations. This unit cost can be used to adjust the task budget based on actual CCTV footage to be reviewed.
5. Meet with City staff to review development plans and all relevant documents.
6. Collect and review asset management including:
 - Force Mains in the Sanitary Sewer Collection System
 - Lift Stations within the Sanitary Sewer Collection System
 - Identify gaps in data, including pipe diameter, location, flow direction, material, sewer MH invert, etc.
 - Recommend a strategy to obtain missing data
 - Work with GIS personnel to determine optimal method(s) to add any missing asset subcategories

Task 1 Deliverables:

- Description and general inventory of the sanitary sewer system based on review of plans, reports, studies, and field inspections (PDF only)
- Technical Memorandum summarizing sewer video review, based on NASSCO designations (PDF only)
- Technical Memorandum including GIS Data Gap analysis for the Sanitary Sewer Collection System (PDF).

Task 2: Field Effort and GIS Update

Task 2.1 Survey Sanitary Sewer Manholes

Wallace Group will survey the rim elevations of each sewer manhole to be modeled (based on 750 manholes) and dip the manhole to obtain the invert elevation (invert in and invert out) of the flow lines. Wallace Group

will also take pictures of each of the manholes, which would then be included in the GIS database (see Task 2). Based on photos and visual observation from ground surface, we will ascertain pipe material. It is requested that the City assist Wallace Group with locating the manholes and providing traffic control as needed in high traffic areas. This assistance greatly increases the efficiency of the survey work. Wallace Group can provide outside assistance for traffic control for an additional cost, not currently included in the cost proposal.

Optional Task 2.1A: Wallace Group will locate the remaining 2,575 sewer manholes throughout the City's collection system and provide rim elevations using a handheld GPS unit. This information can then be incorporated in the GIS database (see Task 2). This effort will not provide invert elevations, pipe diameters, pipe material, or manhole condition information. Costs for this effort are not currently included in the fee estimate.

Task 2.2 Lift Station Assessment

Wallace Group, in conjunction with Fluid Resource Management (FRM), will conduct evaluations of the City's eleven lift stations. FRM will coordinate with the City operations staff. FRM will provide a Cal-OSHA confined space entry permit and perform such confined space entry to evaluate the wet well for visible signs of corrosion and "wear and tear", and will make recommendations if a structural investigation of the wet well is warranted based on observation. We will evaluate the condition of piping and internal components, document the size of the wet well/pumping station, approximate depth and size of inverts, perform a pump draw down test and determine approximate flow from each pump, perform full load amperage and Meg-ohm readings on each motor, verify automation of controls, evaluate the electrical system for possible deficiencies/code violations, document the pumps and motors make/model number, pull and inspect the pumps for signs of wear and tear including inspecting pump seals and fittings, electrical components for code violations, evaluate the pump seals, fittings, and overall condition, and perform a pump test to determine approximate flow, and measure amperage/power draws to check for signs of pump motor concerns. We will evaluate the system's ability to meet existing and future demands based on the pumping capacity and will provide the City with lift station upgrade recommendations. It is expected that the review of the 11 lift stations will be conducted over a period of 4 consecutive days. We will request that the City provide operations staff intimately familiar with the details and history of the lift stations, and to operate equipment during the inspection/testing. We assume that access to each lift station will not require traffic control services. We will review the assessment information from FRM and provide recommendations for upgrades to the lift stations. We will summarize the findings of the lift station assessment in the Preliminary Findings Memorandum.

Task 2.3: In-Line Flow Monitoring

Wallace Group will develop a flow monitoring program (FMP) in support of calibrating the hydraulic model of the sanitary sewer system. The flow monitoring plan will consider the areas to be monitored, including consideration of monitoring some or all the seven flow-splits/diversions. The flow data will evaluate average flow rates and representative diurnal flow patterns throughout the City including in/out of all pump stations, and to assist in the review/identification of average flow rates for residential (single and multi-family), commercial, hotel/motel, and apartment land uses. We will draft the flow monitoring plan, with meter locations and methodology to be reviewed and approved by the City.

As part of the FMP, we will work with US3 to review site conditions of the potential monitoring sites, assuring they are hydraulically suitable for accurate flow monitoring measurements. We will also query the City to determine if the City has specific sewer reaches they desire to be monitored, for instance an area suspected to have flow capacity concerns or may otherwise be a "HMA" of concern, or a specific sewer reach that would be indicative of SFR, MFR, hotel, commercial flows. Findings of the site review will be considered and included in this FMP for review and approval by the City. The site documentation shall include, at a minimum, a location map with address, digital photographs of the site, pipe size, channel condition, flow characteristics, site

drawings, and pictures of surrounding area. The Site assessments will also identify traffic control and safety issues.

Once the FMP is approved, Wallace Group will proceed with the in-line Flow Monitoring, to be provided in conjunction with US3. The FMP is based on an assumed total number of 14 monitoring stations, with a total duration of 60 calendar days at each location which will include both wet weather and dry weather flows. As discussed in the Approach Section of our Proposal, we will review and monitoring upcoming weather conditions to maximize chances of capturing significant rainfall events during the wet-weather season monitoring interval.

Task 2.4 Update GIS Database

Based on survey data collected in Task 2.1, Wallace Group will update the City's GIS database. Wallace Group will also utilize data collected in Task 1 to incorporate any new developments and upgraded sewer mains that are not already included in the GIS database.

Optional Task: Wallace Group can prepare atlas maps of the sewer collection system that can be used by operation's staff. Costs for this effort are not currently included in the fee estimate.

Optional Task: Wallace Group can assist the City in updating the GIS database with record information including videos, drawings, inspection reports, etc. This task will only be completed if there is remaining budget in the contract.

Task 2 Deliverables:

- Updated GIS Database with survey information (electronic)

Task 3: Wastewater Flow Characteristics and Projections

Task 3.1: Existing and Future Sewer Flow Estimates

We will develop unit flow factors in order to better project wastewater flows from future developments and calibrate the sewer model using existing wastewater flows. These unit factors will be developed for development types including residential, multi-family, commercial, industrial, hotels and other factors. We will request from Cal Water, water meter records/bills that will be used to evaluate usage from the various types of developments. Using actual water use data will provide the most accurate projection of wastewater generation unit factors, especially for residential and hotel units. Water demand data will be evaluated for a minimum of 12 months in order to assess indoor water demands (which generate wastewater flows) versus outdoor water demands (which do not generate wastewater flows). We will also use population and density information from the City's General Plan, Specific Plans, and other planning documents provided by the City, to project future build-out (15-year planning horizon) population and wastewater flows. As part of this scope of services, Wallace Group will not project population to build-out; we will rely on the City's planning documents and 2018 AMBAG population projections, and we will request City staff to confirm future population projections to be used in the master plan. Total metered flow data (at the Monterey One Water lift station), along with existing population data, will be used to calculate per capita wastewater flows, which will in turn be used to project future wastewater flows.

Task 3.2: Preliminary Findings Memorandum

We will compile all the information reviewed and gathered under Tasks 0, 1, 2, and 3.1 and prepare a Preliminary Findings Memorandum stating our findings.

Task 3 Deliverables:

- Preliminary Findings Memorandum - Three hard copies and one electronic pdf copy

Task 4: Develop and Calibrate Sewer Model

Task 4.1: Develop and Calibrate Sewer Model

We will utilize survey data collected in Tasks 0, 1, 2, and 3 for use in the Innovyze sewer modeling program (InfoSWMM). We will model the collection system under dry and wet weather conditions for the existing and future loadings. We typically will only model the trunk sewer mains (typically 10-inch and larger), with some exceptions. The exception would be 6- or 8-inch trunk mains that collect or carry a reasonable amount of wastewater either under existing or future conditions. We will provide an electronic copy of the sewer model at the end of the project.

Using flow data collected in the Field Investigations, we will model simulations for dry and wet weather flow conditions for existing and future (build-out) development scenarios. We will use the model results to identify locations in the wastewater system that have hydraulic capacity constraints under existing and future flow conditions, peak dry weather and wet weather flow conditions, based on the criteria developed for the 2011 report.

Based on the flow monitoring data obtained, we will provide the City with general observations of tributary areas exhibiting signs of I/I. Based on this observation, we will recommend areas for further I/I investigation.

Deliverables:

1. The consultant shall provide the City a new hydraulic model that includes, but is not limited to:
 - a. Manhole and pipe segment identification numbers in accordance with City-specified naming convention, manhole invert elevation for all pipes and rim elevation
 - b. Pipe size and material
 - c. Pipe flow estimates for peak dry and wet weather flows, resulting d/D ratios, and available capacity based on City specified d/D ratios
2. Provide all data files necessary to recreate, calibrate, and adjust the model in the future by selected firm or third parties.

Task 5: Develop Capital Improvement Program

Task 5.1: Develop Capital Improvement Program

Using data collected during Field Investigations, and the modeling efforts of Task 4, we will develop a Sanitary Sewer Capital Improvement Program (CIP) recommending short-term (5-year) and long-term (15-year) improvements necessary to maintain a desired level of service for the City's sanitary sewer assets such as mainlines, manholes, and pump stations. We will also provide one additional Program focused on Development induced improvement recommendations. These upgrades are required to be completed when development occurs, which the timing may not be known. The CIP will include the following:

1. Condition Assessment
 - a. Review CCTV inspections and provide a summary table for conditions of the City's sanitary sewer assets using Sewer Service Company's (NASSCO) Pipeline Assessment and Certification Program (PCAP).
 - b. Identify the useful life and value of the existing sanitary sewer collection system assets. Pipe materials of existing sanitary sewer mains include high-density polyethylene (HDPE), Acrylonitrile-Butadiene-Styrene (ABS), vitrified clay (VCP), cured-in-placed liner, and polyvinyl chloride (PVC).
 - c. Establish the asset values and recommended year-to-year replacement costs of aging infrastructure. The remaining useful life of assets shall be assessed by the Consultant using projected-useful-life tables, decay curves, or recent condition assessment studies.

- d. Recommendation of Improvements:
 - 1) Identify improvements (or improvement programs such as regularly scheduled condition monitoring programs) necessary to meet the Consent Decree’s requirements and the City’s desired level of service.
 - 2) Develop prioritization criteria and ranking matrix to utilize when prioritizing recommended improvements. Criteria should account for:
 - i. Probability of failure based on condition of facility.
 - ii. How critical the facility is to system operations (i.e., ramifications of failure).
 - iii. Potential I/I reduction.
 - iv. Cost of facility failure (including social and environmental costs in addition to hard costs of repairs).
 - 3) Recommend a replacement and rehabilitation methodology for all recommended improvements. The methodology should take into account the material, condition, age of facility, and sensitive environmental areas (such as creeks and industrial areas), and overall constructability.

Deliverables:

1. Documentation of recommendation decision based on established prioritization criteria. (Decision Matrix) – *See sample matrix in Additional Information Section*
2. Prepare construction cost estimates associated with all recommended improvements or improvement programs. Cost estimates shall include an analysis of costs related to general maintenance and facility (life cycle cost) vs costs related to additional capacity needs caused by growth.
3. Create a prioritized list of recommended improvements and improvement programs through 2035 with a detailed focus on near term critical projects through 2025.
4. Maps for each sewer trunk main collection zone, color coded to separate facilities that are:
 - a. Currently at or over capacity – High Priority
 - b. At or over capacity with currently approved projects – Background
 - c. At or over capacity upon full utilization of current City land uses - Buildout

Task 6: Development Impact Fee Nexus Study

Task 6.1: Development Impact Fee Nexus Study

Wallace Group will team with DTA to complete a Sanitary Sewer Development Impact Fee Nexus Study. This Task will not start until after the completion of Task 7.1. The following is the Scope of Work provided by DTA:

DIF Study

DTA, in collaboration with Wallace Group, would provide all-inclusive professional and technical support to the City in reviewing any existing City Sanitary Sewer DIF studies related to General Plans, Specific Plans, and the Capital Improvement Program (“CIP”) and preparing a comprehensive review of required impact fee levels documented in the formal Nexus Study prepared under California Government Code Sections 66000 *et seq.* and 66013 *et seq.*, which governs water capacity and connection fees charged to new development and/or redevelopment.. DTA’s Final Report would present a fee methodology that satisfies the “rational nexus” tests used by the courts to determine the legality of development exactions. Having been subjected to legal and developer scrutiny, DTA has developed a streamlined approach and methodology that establishes a rational and substantial nexus between new development and the need for public facilities.

The Scope of Work has been devised to include all tasks necessary to create a fee program for the City that complies with California Government Code Sections 66000 *et seq.* and 66013 *et seq.* in concert with the

jurisprudence developed by various Federal district and State courts. DTA's General Counsel regularly reviews State and Federal legal and administrative opinions, regulations, and statutes that might affect or modify DIF Nexus Studies in California.

Work products stemming from the work plan described in this section will include:

- A memorandum ("memo") summarizing the fee methodology options; and
- The Draft and Final Administrative Reports.

Task A.1 – Development of Project Strategy and Kickoff Meeting

DTA staff will meet with City staff in a project kickoff meeting to finalize the details of the project, deliverables, timetables, and tasks, discuss the best practices, identify needed information (i.e., reports, project/needs lists, stakeholder groups, data, etc.), prepare the final schedule, discuss the public process, determine information to be provided by City staff, and resolve other concerns, as appropriate. Prior to the kickoff meeting, DTA will review City documentation relating to the existing Fee Study and pertinent impact fees as outlined by the City.

Task A.2 – Develop Population and Dwelling Unit Projections

DTA will compile and document existing and future population and development estimates for the City. The projections resulting from this task will ultimately calculate fee levels. This task comprises two subtasks.

Subtask A.2.a – Population Projections

DTA will gather existing information on present and future population for the City from various sources, including City staff, the General Plan, existing Master Plans, the U.S. Census, the Association of Monterey Bay Area Governments ("AMBAG"), the State Department of Finance, and from other data sources, including the City's CIP.

Subtask A.2.b – Conduct Entitlement Research and Projections

DTA will coordinate with the City Community Development Department to determine existing and future residential and non-residential development within the City over the planning horizon (**5 years**, or otherwise). To complete this subtask, DTA will:

- Review the General Plan/CIP and related plans to determine expected development land use patterns in the City;
- Assess City records to identify existing entitlements for dwelling units and commercial/industrial development; and
- Project the number of new dwelling units and commercial/industrial development based on existing entitlements and population projections through 2035, or such other target year as selected by City staff.

Task A.3 – Identify Sanitary Sewer Facility/Capital Needs and Levels of Service

This task entails the review of the facilities and capital needs required to serve new development in the study area projected in Task A.2. DTA will use existing City materials [and any relevant Developer's Facilities Report(s)] as base documents and focus our effort on updating this information.

For any fee program to be comprehensive in its scope, it is necessary to complete a thorough identification and review of all the facilities that will be impacted by additional growth, including those already discussed in the General Plan or CIP. This task will require close coordination with all appropriate City departments.

Subtask A.3.a – Survey/Interview City Staff

DTA shall survey/interview City staff to review projected facilities in the City, along with major equipment needs, the timing at which improvements will be needed, and any physical data that would assist in developing the costs estimated below in Subtask A.3.c. Based upon the results of the surveys and interviews, DTA will verify and, if appropriate, expand the list of new facilities found in the General Plan/CIP to be included within the fee program for the City.

Subtask A.3.b – Facilities List

Based on the information collected in Subtask A.3.a, DTA shall prepare a facilities needs list that details the new facilities and equipment to serve new development in the City.

Subtask A.3.c – Review Cost Estimates

DTA's engineering and technical staff will, as necessary, consult with City department heads and/or engineering staff or equivalent to ascertain and understand in-house cost data for existing and projected facilities and equipment, apply inflation and cost-of-living escalators to the list of projected public facilities to determine future costs, review and/or refine existing cost data, examine major sources of revenue to fund the construction of new public facilities, and provide a proportional estimate between projected costs for new facilities and predicted revenue from mitigation fees and other sources.

Task A.4 – Develop Methodology for Calculating New Sanitary Sewer Impact Fee Amounts

This task entails developing the methodology used to establish the fee amount for each fee component to the extent appropriate. There are two critical issues that must be considered in developing a fee program. The fee program must generate revenues in a timely manner and the methodology must meet the nexus or benefit requirements of AB 1600. Since fees of any sort can be controversial, it is critical that any fee established be legally defensible.

DTA's Fee Study methodology must meet the nexus or benefit requirements of AB 1600, which requires that there be a nexus between the fees imposed, use of the fees, and development projects on which the fees are imposed. Furthermore, there must be a relationship between the amount of the fee and cost of the improvements. In order to impose a fee as a condition for a development project, the methodology must identify the purpose of the fee, ascertain the use to which the fee is to be put (if the use is financing public facilities, the facilities must be identified), determine how there is a reasonable relationship between the fee's use and type of development project on which the fee is imposed, and establish how there is a reasonable relationship between the need for the public facility and type of development project on which the fee is being imposed.

Implicit in these requirements is a stipulation that a public agency cannot impose a fee to cure existing deficiencies in public facilities or improve public facilities beyond what is required based on the specific impacts of new development. The benefit methodology established in this task will be documented in the Final Report.

Deliverable: Memo Summarizing the Fee Methodology Options

Task A.5 – Determine Fee Levels

This task entails calculating the fee amounts based upon the dwelling unit and commercial/industrial development projections completed in Task A.2, facilities needs and costs determined in Task A.3, and methodology selected in Task A.4.

Subtask A.5.a – Calculate Recommended Fee Amounts

DTA shall calculate fees for the City by inputting the data compiled under the preceding tasks and computing each fee to be levied. This work will be done in a spreadsheet format that can be updated annually.

DTA will also evaluate this data in comparison to surrounding cities, such as the Cities of Capitola, Hollister, Marina, Monterey, and Seaside, so as to arrive at comparable and palatable fee levels.

Subtask A.5.b – Document Fee Derivation

DTA shall document the methodology utilized for the fee calculation model in such a way that it can be understood by the City and public. DTA shall prepare written statements documenting the validity of the methodology for deriving each of the fees for the City.

Task A.6 – Prepare Draft and Final Reports

This task entails the preparation of the Draft and Final Reports for consideration by the City Council and City staff. Based on the work completed in Tasks A.1-A.5, DTA will prepare the Draft Report for review and consideration by City staff. The Draft Report will be prepared pursuant to the applicable regulatory standard(s) and is expected to include an executive summary, population projections, a facilities and improvements list, areas of benefit (if applicable), fee calculations, recommended fee levels, and the suggested process for keeping fees current. DTA will subsequently prepare the Final Report for presentation to the City Council and City staff based on the incorporation of City staff comments and concerns on the Draft Report.

Deliverable: Draft and Final Reports

Task A.7 – Attend Meetings and Public Outreach

This task entails attendance at a total of two (2) meetings/workshops, including the kickoff meeting, with the City Administrator (or similar), other City staff, focus groups, stakeholders, and the City Council to present information regarding the status of the impact fee program, draft study, and Final Report to obtain input. DTA will also be prepared to lead meetings and workshops with selected groups to gain better project understanding, gauge community sentiment, and determine the key objectives.

During these meetings, DTA will consider community and stakeholder input. For this purpose, DTA will develop handouts for these meetings that summarize the findings and analysis from the Public Review Draft. DTA will also prepare and distribute updated information, as necessary, to facilitate discussion in Focus Group Meetings in which DTA is unable to attend.

We anticipate that all meetings will be conducted via Zoom or another online meeting software. In-person attendance at any meetings shall depend on State guidelines and guidance from the CDC.

OPTIONAL TASK: DTA can prepare a Sanitary Sewer Rate Study as an Optional Task. This optional task is not currently included in the fee estimate.

Task 7: Draft and Final Sanitary Sewer Master Plan Update

Task 7.1: Draft Sanitary Sewer Master Plan Update

Upon completion of Tasks 1-5, Wallace Group will prepare the Draft Sanitary Sewer Master Plan Update. At a minimum, the report shall include the following:

1. An Executive Summary (To be provided in the Final Report only)
2. Colored maps that are clear, easy to understand, and of professional quality of the City's sanitary

- sewer system, identified deficiencies, and locations of proposed improvements
3. Summary of existing sewer system
 4. Population projections and sewer demand summary
 5. Documentation of modeling methodologies and assumptions
 6. Technical information, analysis, and discussion of results for each task making use of charts, graphs, and figures of professional quality to clearly and efficiently convey the information, findings, and conclusions
 7. Justification for recommended improvements to be accomplished
 8. Sanitary Sewer Capital Improvement Plan
 9. Other supporting documentation

Task 7.2: Final Sanitary Sewer Master Plan Update

Upon receiving written comments from the City and discussion at the City Council, Wallace Group will prepare the Final Sanitary Sewer Master Plan Update..

Deliverables:

- Submit five (5) printed copies and 1 digital copy in pdf format of the Draft Sanitary Sewer Master Plan report to the City to review and comment
- Submit five (5) printed copies and 1 digital copy in pdf format of the Final Sanitary Sewer Master Plan report to the City

Wallace Group Team Resource Estimate for the City of Salinas Sanitary Sewer Master Plan											BUDGET SUMMARY								
PHA	TASK DESCRIPTION	PRINCIPAL	PRINCIPAL ENGINEER	DIRECTOR	SENIOR ENGINEER III	ENGINEER I	ASSOCIATE ENGINEER I	GIS SPECIALIST	TWO MAN SURVEY CREW	SENIOR LAND SURVEYOR III	FRM	US ³	DTA	Misc. Direct Costs	TOTAL LABOR HOURS	LABOR \$	TOTAL COST \$		
	RATE	\$230	\$215	\$185	\$180	\$145	\$115	\$135	\$215	\$170									
0	PROJECT MANAGEMENT AND MEETINGS																		
0.1	Project Management and Coordination	48	48											\$150	96	\$21,360	\$21,510		
0.2	Kick Off Meetings and Field Review	10	6			10								\$268	26	\$5,040	\$5,308		
0.3	Review and Progress Meetings	36	12			36								\$535	84	\$16,080	\$16,615		
0.4	City Council Meetings	12	6			12								\$535	30	\$5,790	\$6,325		
0.5	QA/QC	24	40												64	\$14,120	\$14,120		
1	DOCUMENT REVIEW AND DATA COLLECTION																		
1.1	Document Review and Data Collection	8	24			50	200								282	\$37,250	\$37,250		
2	FIELD EFFORT AND GIS UPDATE																		
2.1	Survey Sanitary Sewer Manholes	4	24	24		30			250	150				\$20,942	482	\$94,120	\$115,062		
2.2	Lift Station Assessment	8	60								\$ 20,000				68	\$14,740	\$14,740		
2.3	In-Line Flow Monitoring	4	40			60						\$ 95,000			104	\$18,220	\$18,220		
2.4	Update GIS Database		40				16	100							156	\$23,940	\$23,940		
3	WASTEWATER FLOW CHARACTERISTICS AND PROJECTIONS																		
3.1	Existing and Future Sewer Flow Estimates	4	24			60	40								128	\$19,380	\$19,380		
3.2	Preliminary Findings Memorandum	8	20		8	40	16								92	\$15,220	\$15,220		
4	DEVELOP AND CALIBRATE SEWER MODEL																		
4.1	Develop and Calibrate Sewer Model	4	8		32	120									164	\$25,800	\$25,800		
5	DEVELOP CAPITAL IMPROVEMENT PROGRAM																		
5.1	Develop Capital Improvement Program	16	32		24	120									192	\$32,280	\$32,280		
6	DEVELOPMENT IMPACT FEE NEXUS STUDY																		
6.1	Development Impact Fee Nexus Study	16	16			8							\$ 27,500		40	\$8,280	\$8,280		
7	DRAFT AND FINAL SANITARY SEWER MASTER PLAN UPDATE																		
7.1	Draft Sanitary Sewer Master Plan Update	8	32		24	120	40								224	\$35,040	\$35,040		
7.2	Final Sanitary Sewer Master Plan Update	8	8		4	40	16								76	\$11,920	\$11,920		
	SUB-TOTALS	218	440	24	92	706	328	100	250	150	\$ 20,000	\$ 95,000	\$ 27,500	\$22,430	2,308				
	WALLACE GROUP LABOR COSTS	\$50,140	\$94,600	\$4,440	\$16,560	\$102,370	\$37,720	\$13,500	\$53,750	\$25,500								\$398,580	
	WALLACE GROUP DIRECT COSTS																		\$22,430
	SUBCONSULTANT DIRECT COSTS											\$20,000	\$95,000	\$27,500					\$142,500
	DIRECT COSTS OVERHEAD @	15%																\$24,739	
	TOTAL																	\$588,249	

Amendment to Scope of Services

Additional Scope Items and Associated Fees

Wallace Group has been working with the City of Salinas on the completion of Sanitary Sewer Master Plan Update since February 2021. Wallace Group is amending the following task items (task numbers are per the original contract):

- Task 2.3: Additional flow monitoring locations - Wallace Group added three additional flow monitoring locations based on updated GIS maps that were provided to Wallace Group.
- Task 1.1, 2.1, 3.1, 3.2, 4.1: Wallace Group included analysis of three areas outside the current city limits and limits of the sewer model proposed in the original scope of work per the City's request.
- Task 5.1 and 7.1: In addition to the development of capital improvement projects for the hydraulic deficiencies identified through the hydraulic model, the City requested to also prepare a CIP program for the operations and maintenance related deficiencies. These deficiencies were mapped and a cost table was prepared.
- Task 2.2: The level of effort anticipated for development of the CIP program for the City's 11 lift stations was significantly more effort than anticipated during the scope development and budgeting process due to verifying needs and information on each of the lift stations and the available data to be used in the evaluation.

These additional scope items will be completed on a not-to-exceed basis of \$45,000.



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CONTRACT AMENDMENT

Project Name: Sanitary Sewer Master Plan	CA No. 3
Client Name: City of Salinas	Project/Phase No. 0886-0015-00
Attention: Adriana Robles	Date: March 21, 2024
Address: 200 Lincoln Avenue, Salinas, CA 93901	

Wallace Group requests the Client's authorization to proceed with revisions to the contract agreement for the above referenced project as herein described. Approval below incorporates this document as a part of the original contract signed February 16, 2021. If approved, please return one signed original Contract Amendment to Wallace Group.

Description and Purpose of the Revision(s)

Wallace Group has prepared the City's Sewer Master Plan, adopted in summer 2023. As part of this project, Wallace Group's subconsultant, DTA has been working on the Connection Fee Study for the City. The City is now requesting Wallace Group and DTA to also complete the City's Rate Study as part of this project. The following provides the scope of work for completion of the Rate Study.

Task 1100 - Project Management

This amendment is anticipated to extend the project contract an additional 6 months. This task is to cover the monthly management of this project for the extended period.

Task 1200 - Meetings

This task includes up to 6 hours for update meetings with the City via Teams.

Task 1300 - QA/QC

This task includes budget for review of the Rate Study for its compliance with the Sewer Master Plan and the City goals.

Task 7100 (New) - Rate Study (WG)

This task includes Wallace Group technical support on the Rate Study.

Task 7200 (New) - Rate Study (DTA)

Please see Exhibit A for DTA's scope of work for the Rate Study.



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WATER RESOURCES

WALLACE GROUP
A California Corporation

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SAN LUIS OBISPO
CALIFORNIA 93401

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Other - Adjusted Rate Sheet

Wallace Group is requesting to change our rate schedule from 2019 rate schedule to the current 2024 rate schedule. Please see Exhibit B for the 2024 rate schedule.

**Revision(s) Represent:**

- ☐ a change in previous instructions
- ☒ a change in Scope of Services
- ☒ other: Changed Rate Schedule

Revision(s) Fee:

- ☐ hourly (time & materials) \$
- ☐ progress billing: \$
- ☒ not-to-exceed w/o authorization: \$63,090

Revision(s) will be invoiced as:

- ☒ increase to an item within the existing contract
- ☒ a new item added to existing contract

Issued by,

WALLACE GROUP, a California Corporation

APPROVED BY CLIENT:

Kari Wagner, PE C66026
Principal

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Signature

Printed Name

Title

Date

Exhibit A
0886-0015

Exhibit B2

PROPOSAL

WASTEWATER RATE STUDY

November 28, 2023

dta



CITY OF SALINAS

SUBMITTED BY:

Andrea Roess
Managing Director

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Irvine, CA 92612
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CITY OF SALINAS



WASTEWATER RATE STUDY

NOVEMBER 28, 2023

Prepared for:

City of Salinas

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I SCOPE OF WORK

DTA is pleased to submit this proposal to the City of Salinas (the "City"). The Scope of Work includes the preparation and completion of a wastewater rate study for the City. The Scope of Work requires the development of comprehensive financial planning and a rate model for wastewater services. The model will include revenue projections and revenue requirements over a 5-year period, transfers to and from capital reserves and operations and maintenance reserves, and debt service alternatives. The model will evaluate proposed rates to assess their ability to meet annual cost recovery and reserve balance goals. The electronic models will be understandable and shall provide feedback to City staff that will assist in making managerial decisions with regard to the magnitude and timing of future wastewater rates. DTA will perform the tasks detailed below for this rate study.

Task 1 – Demographic Analysis

DTA shall review current wastewater generation, treatment, and disposal, as well as customer classes provided by the City. City staff will provide the estimated number of future customers by customer class based on growth trends within the service area.

Deliverable: Documentation of Any Expected Growth, Incorporated Into the Rate Model

Task 2 – Analysis of Cost of Service

DTA shall review City expenses related to wastewater collection, treatment, and disposal within the collection area. This includes reviewing Revenue/Expense Reports for the previous year and operation budgets for the current year. We will work with City staff to project the costs identified below and adjust these costs for inflation, as appropriate.

- Current and future cost of providing wastewater collection and treatment in accordance with established and anticipated standards and regulations;
- Improvements funded by other funding sources;
- Impact of current and future environmental regulations;
- Existing and/or future service options;
- Pay-as-you-go or bond financed capital improvements;
- Operation and Maintenance ("O&M") expenses;
- Capital/operating reserves; and
- Other financing needs.

Deliverable: Final List of Cost of Service, as Included in the Rate Model

Task 3 – Evaluate Current Revenue Sources

This task entails reviewing the City's current wastewater rate structure and assessing its appropriateness related to current and future conditions. As part of this task, DTA shall also identify other revenue sources, including grant funding. This task consists of two subtasks, as detailed below.

Subtask 3.1 – Identify Other Revenue Sources

DTA shall research, gather, and review existing information, including other potential revenues and expenses. We will develop assumptions for levels of outside grant funding through time.

Subtask 3.2 – Explore Potential Alternatives

We shall review potential alternative rate structures to determine if new rate structures will meet revenue requirements and meet the objectives of the City.

Task 4 – Recommended Rate Structures

This task entails the selection of the appropriate methodology discussed in Task 3 and calculation of wastewater rates based upon the chosen methodologies and revenue requirements determined in Task 2. This task consists of two subtasks.

Subtask 4.1 – Select Appropriate Methodology

DTA shall work with the City to select the methodologies that best meet the City's wastewater collection and treatment needs and that can be implemented using the City's current automated billing system. The proposed rate schedule will be fair and objective, reflect the City's costs of service, and comply with Proposition ("Prop") 218 requirements. Costs will be distributed equitably across applicable user classes. This effort will include a brief discussion of factors considered in the recommendation, including City policy, the City's current rate structure, establishment of a reserve fund, revenue sufficiency, other service charges, conservation, and other side factors, such as price elasticity, political environment, and environmental regulation.

DTA shall document the methodology utilized for the wastewater rate calculation in a clear and concise manner that will facilitate public acceptance.

Subtask 4.2 – Calculating Wastewater Rates

Based on the data from Tasks 1-3, DTA shall calculate the wastewater rates necessary to cover annual wastewater Operations and Maintenance ("O&M") and Capital Improvement Program ("CIP") expenses and rate stabilization reserves. In consultation with the City, DTA may recommend a rate structure that allows for the phasing of rate escalations to minimize sharp increases.

During this process, we will assure that sufficient revenue is generated to provide for ongoing operational and capital requirements. Revenue allocated to capital improvements and capital replacements will be integrated with any capacity fee revenue generated by new development to ensure a seamless and equitable flow of funds.

Task 5 – Prepare Draft and Final Reports

This task entails the preparation of Draft and Final Rate Study Reports for consideration by City staff and the City Council. The reports will present current rate information, recommended rates, the methodology, the supporting analysis, and rate comparisons. This task consists of two subtasks.

Subtask 5.1 – Prepare Draft Rate Study for Comments

Based on the work completed in Tasks 1-4, we will prepare the Draft Rate Study for consideration by the City.

Subtask 5.2 – Prepare Final Reports

Based on additional comments received on the Draft Report, DTA will prepare the Final Rate Study for consideration by the City.

Deliverable: Draft and Final Reports

Task 6 – Public Notices and Protest Procedure

DTA will review notices prepared by the City Attorney, pursuant to Prop 218 and the Right to Vote on Property Taxes Act. DTA will provide feedback related to the notification process and possible protest procedures, as requested by City, with regard to:

- The calculated rates pertaining to the parcel;
- The duration of the rates;
- The reason for the increase in rates (e.g., general description of the improvements); and
- The basis under which the proposed rates were calculated.

Task 7 – Document Review and Preparation

DTA will review, at the direction of the City, supporting documents prepared by City staff and the City Attorney as part of the rate increase process. Such documents may include draft resolutions and ordinances related to the rate increase.

Deliverable: Comments and Feedback in Memorandum Format

Task 8 – Meeting, Public Hearing, and Project Coordination

DTA will attend one (1) in-person meeting, specifically the public hearing at which DTA shall present the method and calculation of the rates and answer questions. DTA will also assist with any public outreach tasks, such as the preparation of handouts, PowerPoint presentations, and other items. Additional meetings shall be conducted virtually and may cover:

- Project orientation and kickoff meeting with City staff and the Finance Team;
- Public outreach and educational workshops; and/or
- City Council meeting to accept the Preliminary Engineer's Report.

DTA will also attend up to two (2) virtual City Council workshops.

II SCHEDULE

DTA's typical schedule of tasks for a wastewater rate study is outlined below. Given the City's desired project timeline, this timeline of events can and will be completed within the proposed time frame according to the City's specifications. **Notably, the firm shall provide ongoing communication, education, and outreach throughout the duration of the project. DTA will be able to begin work with minimal notice.**

Table 1: Proposed Schedule

Task	Description	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7
1	Demographic Analysis							
2	Analysis of Cost of Service							
3	Evaluate Current Revenue Sources							
4	Recommend Rate Structures							
5	Prepare Draft and Final Reports							
6	Public Notices and Protest Procedure							
7	Document Review and Preparation							
8	Meetings, Public Hearing, and Project Coordination							
Ongoing	Communication, Education, and Outreach, as Needed							

III FEE SCHEDULE

DTA's proposed budget is **\$45,000** for the wastewater rate study, excluding out-of-pocket expenses. The City shall be charged on a time and materials basis, according to the hourly rates shown in the table below, with invoices being submitted on a monthly basis.

Table 2: DTA's Fee Schedule

Labor Category	Labor Rate
President/Managing Director	\$290/Hour
Senior Vice President	\$275/Hour
Vice President	\$240/Hour
Senior Manager	\$205/Hour
Manager	\$195/Hour
Senior Associate	\$185/Hour
Associate III	\$175/Hour
Associate II	\$165/Hour
Associate I	\$150/Hour
Research Associate II	\$140/Hour
Research Associate I	\$125/Hour

Additional in-person meetings [more than the one (1) meeting specified in the Scope of Work] shall be charged at the rate of **\$3,000 per additional in-person meeting**. DTA will also attend numerous virtual meetings, which may include a project orientation and kickoff meeting with City staff and the Finance Team, public outreach and educational workshops, a City Council meeting to accept the Preliminary Engineer's Report, and up to two (2) virtual City Council workshops. In addition, DTA staff shall schedule standing conference calls (i.e., weekly or bi-weekly) with City staff to stay on track with tasks and deliverables.

Out-of-pocket and administrative expenses shall be equal to 3% of DTA's billings for labor, plus travel expenses and any outside vendor payments, not to exceed \$1,350. All hourly rates for services apply through December 31, 2024, and are subject to a cost-of-living increase. On or about the first two weeks of each month during which consulting services are rendered hereunder, DTA shall present to the City an invoice covering the current consulting services performed and reimbursable expenses incurred pursuant to this Notice of Authorization. Invoices shall be paid by the City within 30 days of the date of each invoice. A 1.2% charge may be imposed monthly against accounts that are not paid within 45 days of the date of each invoice. The prevailing party in any legal action brought by one party against the other and arising out of this Consultant Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs and reasonable attorneys' fees.

A Limitations

The labor costs in Table 2 include attendance at a total of one (1) in-person meeting with City staff, stakeholders, and the City Council. Attendance at more than one (1) in-person meeting, detailed written responses to resolve disputes, or the preparation of more than one set of major revisions to the Draft Report will be classified as Additional Work and billed at the hourly rates identified in the table above. Other examples of Additional Work shall include:

- Attendance at more than one (1) in-person meeting;
- Additional coordination required for timely data collection;
- Attendance at more than two (2) virtual City Council workshops;
- Additional changes to assumptions or methodology not originally contemplated by the City (i.e., modifications to the rate design such as additional tiers, etc.);
- Following any Council workshops, additional analyses based on revised assumptions as requested by City staff and/or the City Council;
- Substantive expansion to the original scope of any PowerPoint presentations;
- Reproduction of more than five (5) copies of Draft or Final Reports; and
- Mailing and posting of public notices.

B Information to be Provided by the City

DTA requests that the following information be provided by the City at no charge and in a timely manner, such that the project does not extend beyond one year from the date of the authorization to proceed:

- Information on the City's current and expected number of connections, customer discharge characteristics, flow and capacity requirements, and Infiltration/Inflow ("I/I") sources;
- Information on any existing bonds supported by wastewater revenues;
- Current and proposed annual budgets; and
- The City's General Plan, any Specific/Master Plans, Development Agreements, and data regarding existing entitlements.



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Public Finance
Public-Private Partnerships
Development Economics
Clean Energy Bonds



**Exhibit B
Standard Billing Rates**

Engineering, Design & Support Services:

Assistant Designer/Technician	\$120
Designer/Technician I - IV	\$125/\$135/\$145/\$155
Senior Designer/Technician I - III	\$165/\$172/\$179
GIS Technical Specialist	\$160
Senior GIS Technical Specialist	\$170
Associate Engineer I - III	\$135/\$145/\$155
Engineer I - IV	\$170/\$175/\$180/\$185
Senior Engineer I - III	\$200/\$205/\$210
Director	\$220
Principal Engineer/Consulting Engineer	\$245
Principal	\$270

Surveying Services:

Party Chief	\$182
Party Chief (*Prevailing Wage)	\$250
Instrument Person	\$125
Instrument Person (*Prevailing Wage)	\$150
Associate Survey Technician	\$120
Survey Technician I - IV	\$135/\$140/\$150/\$155
Land Surveyor I - III	\$160/\$170/\$180
Senior Land Surveyor I - III	\$185/\$190/\$195
Director	\$220
Principal Surveyor	\$245
Principal	\$270

Planning Services:

Associate Planner I - II	\$110/\$120
Planner I - IV	\$140/\$150/\$160/\$170
Senior Planner I - III	\$175/\$180/\$185
Director	\$200
Principal Planner	\$210
Principal	\$270

Landscape Architecture Services:

Associate Landscape Designer I - II	\$105/\$115
Designer I - IV	\$120/\$125/\$130/\$135
Landscape Architect I - IV	\$140/\$145/\$150/\$155
Senior Landscape Architect I - III	\$160/\$165/\$170
Director	\$185
Principal Landscape Architect	\$210
Principal	\$270

Construction Management / Field Inspection Services:

Construction Inspector I - II	\$140/\$155
Senior Construction Inspector	\$160
Construction Inspector (*Prevailing Wage)	\$180
Construction Office Tech I-III	\$115/\$125/\$135
Assistant Resident Engineer I - II	\$165/\$170
Resident Engineer I - III	\$175/\$180/\$185
Senior Resident Engineer	\$195
Director	\$220
Principal Construction Manager	\$245
Principal	\$270

Public Works Administration Services:

Project Analyst I - IV	\$120/\$130/\$140/\$150
Senior Project Analyst I - III	\$155/\$160/\$165
Senior Environmental Compliance Specialist I - III	\$170/\$175/\$185

Support Services:

Office Assistant	\$110
Project Assistant I - III	\$120/\$125/\$135

***Prevailing Wage:**

State established prevailing wage rates will apply to some services based on state law, prevailing wage rates are subject to change over time and geographic location.

Right to Revisions:

Wallace Group reserves the right to revise our standard billing rates on an annual basis, personnel classifications may be added as necessary.

Additional Professional Services:

Fees for expert witness preparation, testimony, court appearances, or depositions will be billed at the rate of \$400 an hour. If required to meet schedule requests, overtime on a project will be billed at 1.5 times the employee's typical hourly rate.

Direct Expenses:

Direct expenses will be invoiced to the client and a handling charge of 15% may be added. Sample direct expenses include, but are not limited to the following:

- travel expenses
- delivery/copy services
- sub-consultant services
- mileage (per IRS rates)
- agency fees
- other direct expenses

Invoicing and Interest Charges:

Invoices are submitted monthly on an accrued cost basis. A finance charge of 1.5% per month may be assessed on all balances that are thirty days past due.

CONTRACT AMENDMENT

Project Name: Sanitary Sewer Master Plan	CA No. 4
Client Name: City of Salinas	Project/Phase No. 0886-0015-00
Attention: Adriana Robles	Date: May 29, 2025
Address: 200 Lincoln Avenue, Salinas, CA 93901	



Wallace Group requests the Client's authorization to proceed with revisions to the contract agreement for the above referenced project as herein described. Approval below incorporates this document as a part of the original contract signed February 16, 2021. If approved, please return one signed original Contract Amendment to Wallace Group.

Description and Purpose of the Revision(s)

Wallace Group and DTA have been providing support for the preparation of a rate study for the City's sewer collection system. The level of support being requested has been greater than anticipated.

- Received EDU data from City (provided by M1W) which was in an uneditable format. City reached out to M1W for excel version, but M1W was not able to provide. DTA spent considerable time reviewing and processing the EDU data manually into a usable format.
- DTA prepared nine updates to the memo from December 2024 to Feb 2025, more than anticipated.
- Multiple calls regarding CCTV costs and reduced level of capital facilities (not based on the CIP). Extra coordination required with Wallace and City to establish new reduced costs.
- DTA prepared over 30 versions of the rate model based on numerous assumptions requested by City staff, more than anticipated. This included multiple revisions to the capital facilities costs and phasing.
- Additional team meetings attended, via Teams and in-person, than budgeted.
- Following approval of the Rate Study, due to noticing errors, the City required the rate study to be updated based on comments from M1W and the team to attend an additional City Council Meeting.

Wallace Group is requesting a budget augmentation of \$50,964 to cover the out of scope services bringing the total contract value to \$747,303. This includes a budget breakdown noted below:

DTA: \$39,968 plus 15% markup = \$45,964
Wallace Group: \$5,000

Revision(s) Represent:

- () a change in previous instructions
(x) a change in Scope of Services
() other: Changed Rate Schedule

Revision(s) Fee:

- () hourly (time & materials) \$
() progress billing: \$
(x) not-to-exceed w/o authorization: \$50,964

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Revision(s) will be invoiced as:

- ☒ increase to an item within the existing contract
☐ a new item added to existing contract



Issued by,
WALLACE GROUP, a California Corporation

APPROVED BY CLIENT:

A handwritten signature in blue ink, appearing to read "Kari Wagner".

Kari Wagner, PE C66026
Principal
612 Clarion Court
San Luis Obispo
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F 805 544-4294
www.wallacegroup.us

Signature

Printed Name

Title

Date