

**Meeting Date: 8/18/2009**

**Agenda Item:**

## City Council Agenda Report

### City of Scandia

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**Action Requested:** Approve agreements for preparation of the Zavoral Mining and Reclamation Project EIS (Environmental Impact Statement):

- a) Consulting Agreement with EDAW, Inc./ AECOM (hereinafter referred to as AECOM) for preparation of the EIS; and
- b) Payment and Reimbursement Agreement with Tiller Corporation for payment of costs related to preparation of the EIS.

**Deadline/ Timeline:** EIS preparation will begin after execution of agreements; project completion expected in one year.

**Background:**

- On March 3, 2009 the City Council ordered preparation of an EIS for this project. Following completion of the EIS scoping process, the Council approved issuance of a request for proposals (RFP) for consulting services for preparation of the EIS at the May 19, 2009 meeting. On July 21, 2009 the Council received a report on four proposals received and directed staff to negotiate a contract with AECOM.
- An agreement between the City of Scandia and AECOM has been prepared for the Council's approval. Appendix A to the agreement is the final Work Plan for the EIS preparation. It differs from the work plan submitted with the original proposal in order to incorporate the following changes that were discussed at the July 21 meeting:
  - An optional public involvement task (project advisory committee support) has been incorporated in Task 2 of the work plan.
  - Task 7 (Environmental, Economic and Sociological Impacts) was modified to include the recommendations of LBG (the city's consultant) related to the groundwater analysis.
  - The project team was revised to use the services of AECOM staff rather than J.D. Lehr on several analysis items. This was in response to a concern about a possible conflict of interest with work for mining competitors of Tiller.
- Appendix B to the agreement with AECOM lists the costs and fees. The total cost of \$315,173 exceeds the original proposal of

\$264,693 primarily due to two factors. The first is addition of the previously optional public involvement task and expanding it to include more meetings and increased involvement by a principal of the sub-consultant firm (Richardson and Richter). The second is increased costs for the groundwater analysis (expanding the aquifer pumping test from 24 to 72 hours.)

- The payment and reimbursement agreement between the City of Scandia and Tiller Corporation will provide for Tiller to pay the full cost of preparation of the EIS. They will be responsible for all of the consultant contract costs as well as other city costs (including planner, attorney, staff time and any out-of-pocket costs) as provided by Minnesota Rules 4410.6200. The agreement requires an immediate deposit of \$150,000 with the city, and additional incremental payments of \$50,000 each if the deposit account is drawn below \$20,000.
- Both agreements were prepared with the involvement of and review by the City Attorney and the City Planner. Tiller Corporation was given an opportunity to review and comment upon the consultant contract and work plan.
- Tiller has verbally indicated their approval of the payment and reimbursement agreement. It is expected that the city may have the executed agreement and required deposit in hand prior to the August 18 City Council meeting.

**Recommendation:** I recommend that the Council approve both agreements.

Once the consultant begins work on the EIS, the next step requiring City Council action is expected to be appointment of the Project Advisory Committee. The consultant will make recommendations for this process for consideration at a future meeting.

**Attachments/  
Materials provided:**

- Consulting Agreement with EDAW, Inc./ AECOM
- Payment and Reimbursement Agreement with Tiller Corporation

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(Zavoral EIS agreements)