

LEGGETTE, BRASHEARS & GRAHAM, INC.

PROFESSIONAL GROUND-WATER AND ENVIRONMENTAL ENGINEERING SERVICES

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March 22, 2013

Kristina Handt
Administrator
City of Scandia
14727 209th Street North
Scandia, MN 55073

Re: Scope for Work and Cost Estimate
Groundwater Monitoring, Evaluation and Reporting
Zavoral Aggregate Mining and Reclamation Project
City of Scandia, Minnesota

Dear Ms. Handt:

Provided below is Leggette, Brashears & Graham, Inc.'s (LBG) proposed scope of work and cost estimate for groundwater monitoring and reporting associated with Tiller Corporation's (Tiller) proposed aggregate mine at the Zavoral site (Site) in the City of Scandia (City), Minnesota.

LBG will provide the City with groundwater consulting services for one year of monitoring, data evaluation, and reporting. The scope and costs are based on the approved monitoring plan protocol outlined in Tiller's Groundwater Quality Protection Plan (GWPP) and the conditions of the Conditional Use Permit (CUP) and Annual Operating Permit (AOP), which were approved by the City Council on February 19, 2013.

The tasks to be completed by LBG for the one-year monitoring program are as follows:

- Task 1: Project Management
- Task 2: Install Dedicated Monitoring Equipment
- Task 3: Conduct Monthly Site Visits
- Task 4: Evaluate Data and Report Results
- Task 5: Attend Meetings

Task 1: Project Management

This task includes general project management services including project coordination and communication with LBG staff, and correspondence with the City, Washington County Conservation District (WCD), Marine-Carnelian Watershed District (MCWD), Minnesota DNR, and Tiller representatives.

Task 2: Purchase, Install and Program Monitoring Equipment

This task includes LBG services and costs to purchase, install, and program the dedicated data loggers that will be installed in the four (4) wells selected for groundwater monitoring. These include: 1) the recently installed on-Site monitoring well; 2) and 3) the two recently installed on Site piezometers; and, 4) the offsite private well (Trails End Well). Costs include:

- Purchase four (4) In Situ, Inc. data loggers;
- Install and program one (1) Aqua TROLL 200 data logger in the on-Site monitoring well for the purpose of measuring water levels, temperature, and electrical conductivity; and,
- Install and program three (3) Level TROLLs for the purpose of measuring water levels and temperature in the on-Site piezometers and Trails End Well.

Task 3: Conduct Monthly Site Visits

This task includes LBG labor, expenses, and equipment for downloading data from the loggers and collecting manual measurements in the two on-Site piezometers, on-Site monitoring well and the Trails End Well. Assumptions include:

- Twelve monthly site visits for one year of monitoring;
- Downloading water level, electrical conductivity, and temperature data from the on-Site monitoring well, two piezometers, and Trails End Well loggers; and,
- Manually measure water level, dissolved oxygen, electrical conductivity, and temperature data from the four wells listed above.

Task 4: Evaluate Data and Report Results

LBG will analyze the data collected from the field on a monthly schedule and evaluate with respect to the conditions of the AOP and CUP. Well hydrographs, field measured water quality parameters, water table contour maps, and other relevant data will be evaluated monthly and reported at least quarterly to the City as part of the AOP. More frequent reporting will be completed if requested or if problems are recognized. LBG assumes the City will distribute data and copies to other parties. LBG will work closely with the WCD by providing groundwater data monthly to assist them in evaluating the groundwater conditions in the vicinity of the WCD's surface water monitoring stations. LBG's cost assumes:

- Monthly data analysis and data submittals to the City and WCD;
- Three quarterly status reports; and,
- One annual summary report.

Task 5: Prepare for and Attend Meetings

This includes LBG costs to prepare for and attend four City Council meetings.

Cost Estimate

The estimated cost to complete the above scope is summarized in the attached table.

Thank you for the opportunity to assist the City on this project. If you have any questions, please contact me at (615) 558-9207

Sincerely,

LEGGETTE, BRASHEARS & GRAHAM, INC



David S. Hume, P.G.
Senior Associate

Reviewed by:



J. Kevin Powers
Senior Vice President

DSH
Attachment

COST SUMMARY

Groundwater Monitoring and Reporting Services
 One-Year Monitoring Period
 Zavoral Aggregate Mining and Reclamation Project

City of Scandia, Minnesota

Task		LBG Services	LBG Equip. Expenses	Project Total
Task 1	Project Management	\$3,200	\$0	\$3,200
Task 2 *	Purchase, Install and Program Monitoring Equipment	\$2,500	\$8,500	\$11,000
Task 3	Conduct Monthly Site Visits	\$10,500	\$1,200	\$11,700
Task 4	Evaluate Data and Report Results	\$17,000	\$0	\$17,000
Task 5	Prepare for and Attend Meetings	\$4,300	\$0	\$4,300
GRAND TOTAL		\$37,500	\$9,700	\$47,200

* Includes \$ 8,500 for purchase of four (4) data loggers.

START CONTRACT

This agreement for the performance of services is entered into this 22nd day of March, 2013, by and between Leggette, Brashears & Graham, Inc. (LBG) and The City of Scandia (Client). Subject to the contract terms printed on the reverse side of this form, LBG's standard fee schedule and the annexed proposal or scope of work. In the event of a conflict between the standard contract terms or fee schedule and any attached proposal or scope of work, terms of the proposal or scope shall govern.

CLIENT

Name: Kristina Handt, Administrator
Company: City of Scandia
Address: 14727 209th Street North
City/State/Zip: Scandia, MN 55073

CLIENT CONTACTS

Reporting: Kristina Handt
Site Conditions: Kristina Handt

BILLING INFORMATION

Name: Same as above
Company: _____
Address: _____
City/State/Zip: _____

Project Location: **Street:** St Croix Tr North/Hwy 97 **City:** Scandia **State:** MN **Zip:** 55073

Proposal/Scope Date and Reference No.: March 22, 2013 scope of work **#Pages Attached:** 4

Brief Statement of Services: Provide professional consulting services for groundwater monitoring and data evaluation associated with the Zavoral mine at the above referenced location

Anticipated Start Date: 4/1/13 **Anticipated Completion Date:** 5/1/14

Preliminary Cost Estimate: \$ 47,200

LBG Office Location: St. Paul **Project Representative:** Dave Hume

Principal-in-Charge: Kevin Powers

Retainer: \$ N/A

Client hereby engages LBG to perform the services described and referred to herein and agrees to pay LBG for such services, and acknowledges that the terms of this agreement are subject to LBG's standard contract terms and all attached and referenced material and documents. Unless otherwise provided in the attached proposal or scope: (1) inclusion of anticipated "start" and "completion" dates shall not be construed to impose a "time is of the essence" requirement; and (2) any preliminary cost estimate shall not be construed as a "flat-fee" or "not-to-exceed" amount. In consideration of the foregoing, LBG agrees to perform the services described and referenced herein.

City of Scandia

LEGGETTE, BRASHEARS & GRAHAM, INC.

CLIENT

By: (signature) _____
(printed) _____
Title: _____
Date: _____
Witness: _____

By: (signature) _____
(printed) _____
Title: _____
Date: _____
Witness: _____

GENERAL TERMS AND CONDITIONS

FEE PAYMENT

- 1) LBG will submit invoices to Client monthly following any month of significant activity, and a final invoice upon completion of services. Invoices will show charges based on current LBG Fee Schedules or other agreed-upon basis, and will include a detailed separation of charges and supporting information.
- 2) Payment is due upon receipt of invoice. On accounts past due by forty-five (45) days, Client will pay a finance charge of 1.25 percent per month dating from the invoice date.
- 3) In the event Client requires expert-witness testimony, Client will pay LBG all past due balances before LBG will proceed to prepare for or offer testimony.
- 4) Client will pay the balance stated on the invoice unless Client notifies LBG of the particular item that is alleged to be incorrect within fifteen (15) days from the invoice date. Client will remit the balance of undisputed items in a timely manner while a disputed item is being reviewed.
- 5) In the event Client fails to pay LBG within forty-five (45) days following invoice date, LBG may consider the default a breach of the consulting agreement and all duties of LBG may be suspended or terminated, and work product may be withheld, without liability of any kind to LBG.

OWNERSHIP OF DOCUMENTS AND CONFIDENTIALITY

- 1) All reports, field data and notes, laboratory test data, calculations, estimates, and other documents prepared in the course of consulting service shall remain the property of LBG. Client agrees that all reports and other work LBG furnished to Client or Client's agents which are not paid for, will be returned upon demand and will not be used for any purpose whatsoever.
- 2) Documents provided to LBG by Client will be returned to Client, upon request, at the completion of work at Client's cost.
- 3) Reuse of reports or other materials by Client or others on extensions or modifications of the project or on other sites, without written permission from LBG or adaptation by LBG for the specific purpose intended, shall be at the user's sole risk, without liability on the part of LBG
- 4) LBG shall maintain Client's project data and reports in strictest confidence, and will release such information to others only upon express written permission from Client.

DISPUTES

- 1) Client will pay all reasonable collection expenses or litigation fees, including attorney fees that LBG incurs in collecting any delinquent amount Client owes.
- 2) If the Client institutes a suit against LBG which is dismissed or for which judgment is rendered for LBG, costs for litigation including attorney fees, expert witness fees and court costs will be borne by individual parties.

INSURANCE AND INDEMNIFICATION

- 1) LBG will carry Workers Compensation, General Liability, Automobile Liability, Excess Umbrella-Form Liability and Professional Liability insurance policies in amounts, which LBG considers adequate. Certificates of insurance will be provided to Client upon request. Within the terms and conditions of the insurance, LBG agrees to indemnify Client against loss caused by actions of LBG, its employees or its subcontractors. LBG will not be responsible for liability beyond the limits and conditions of the insurance. At Client's request, LBG will seek additional insurance coverages or coverage limits for specific projects, and will bill Client for the additional premium cost. LBG will require that its field subcontractors be insured to the same levels required of LBG by Client.
- 2) LBG's professional liability will be limited to the value of the consulting services performed.
- 3) LBG will not be responsible for any loss or liability from negligence by Client or by other agents, contractors or consultants employed by Client or from negligence by any person for whose conduct we are not legally responsible.

TEST BORINGS AND OTHER EXPLORATIONS

- 1) To drill test borings or perform other explorations, LBG may engage a contractor experienced in this work. . On occasion, LBG engages the specialized services of individual consultants or other companies to participate in a project. When considered necessary, these firms or other consultants will be used with Client's approval. . Such specialists will be wholly responsible for their work product.
- 2) Alternatively, at Client's request, LBG will recommend contractor(s) or specialist(s) for Client to enter into direct contract(s) with. In that event, invoices for these outside services will be mailed to Client for direct payment to the contractor(s). LBG review and approval of each invoice will be provided on request. Under either alternative, LBG does not guarantee and is not responsible for the performance of the contractor(s) or the accuracy of their results.

GEOPHYSICAL AND GEOCHEMICAL INSTRUMENTATION SERVICES

LBG is equipped to provide specialized geophysical and geochemical instrumentation services according to project needs. Fees for these equipment services will be based on use charges at standard rates published by LBG plus fees for consulting services.

CUSTODY OF MATERIALS

- 1) In the course of work, LBG may take custody of and transport soil and/or water samples from Client's site. Upon the completion of evaluation and/or testing of such samples, LBG reserves the right to return the samples to Client at Client's expense, and Client agrees to accept such samples and the responsibility for their proper and legal disposal.
- 2) At no time, under any circumstances, will LBG personnel represent LBG or themselves as generators of waste, hazardous or otherwise, which may have to be removed from or disposed of on a site, and LBG personnel will not sign hazardous waste manifests on behalf of Client.

RIGHT OF ENTRY

Client will furnish right-of-entry on the site for LBG to conduct the work. LBG will take reasonable precautions to minimize damage to the land from use of equipment, but has not included in the fee the cost for restoration of damage that may result from site operations.

DAMAGE TO SUBSURFACE STRUCTURES

Reasonable care will be exercised in locating subsurface structures in the vicinity of proposed subsurface explorations. This will include contact with the local agency coordinating subsurface utility information (i.e., "Call Before You Dig" service) and a review of plans provided by Client for the site to be investigated. LBG shall rely upon any information provided by Client or Client's agent or representative. If the locations of underground structures are not known accurately or cannot be confirmed, then there will be a degree of risk to Client associated with conducting the work. In the absence of confirmed underground structure locations, Client agrees to accept the risk of damage and possible costs associated with repair and restoration of damage resulting from the exploration work.

PETROLEUM PRODUCTS AND HAZARDOUS MATERIALS

- 1) Petroleum products, hazardous materials, or asbestos may exist at a site where there is no reason to believe they should be present. If, at any time, evidence of the existence or possible existence of such substances is discovered, LBG reserves the right to renegotiate any consulting agreement, the fees for our services and our continued involvement in the project. LBG will notify Client as soon as possible should unanticipated hazardous materials or suspected hazardous materials be discovered.
- 2) The discovery of hazardous materials or suspected hazardous materials may make it necessary for LBG to take immediate measures to protect human health and safety and/or the environment. Client agrees to compensate LBG for the cost of any and all measures that, in our professional onsite judgment are justified to preserve and protect the health and safety of our personnel, Client's employees and/or the public, and/or the environment. In addition, Client waives any claims against LBG and, to the full extent permitted by law, agrees to indemnify, defend and hold LBG harmless from any and all claims, damages and liability, including but not limited to cost of defense, in any way connected with petroleum products, hazardous materials or asbestos.

STANDARD OF CARE

In accepting our proposal for consulting services, Client acknowledges the inherent risks associated with any subsurface investigation. In performing professional services, LBG will use that degree of care and skill ordinarily exercised under similar circumstances by members of the profession practicing in the same or similar localities. LBG makes no express or implied warranty beyond our commitment to conform to this high standard of professional practice.

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