

INTERAGENCY COOPERATIVE AGREEMENT

1. PARTIES

This Interagency Cooperative Agreement (“Agreement”) is entered into by the Idaho Department of Environmental Quality (“DEQ”) and the Basin Environmental Improvement Project Commission (“Commission”) (collectively “Parties”).

2. AUTHORITY

The Parties enter into this Agreement pursuant to the authorization of Idaho Code Sections 67-2326—2333 which permits state and public agencies of the state of Idaho to make efficient use of their powers and cooperate to their mutual advantage in the provision of services and facilities and the performance of functions in accord with their respective needs and development. In addition, Idaho Code Section 39-8106(11) (j) authorizes the Commission to enter into agreements and cooperate with Idaho state agencies in order to effectuate, promote and accomplish the purposes of the Basin Project.

3. PURPOSE

The Parties intend to utilize their respective powers, privileges, authorities and existing abilities and infrastructure to facilitate the selection and appointment by the Commission of an Executive Director to administer the basin project. The Executive Director will occupy an executive, exempt, non-classified DEQ position but (except as provided in Paragraph 7 below) will report directly and solely to the Commission which shall make all decisions concerning hiring, rate of pay, discipline, retention, supervision and work assignments of the Executive Director. DEQ will utilize its infrastructure and authorities to administratively support the Executive Director with appropriate funding, human resource, contracting, and other services necessary to provide recruitment, maintenance, payroll, benefits, office space and other operational support.

4. FUNDING

DEQ will seek funding on an annual basis for DEQ services including salary, benefits, indirect, travel, office equipment, office space and equipment, vehicle use and other operating support such as dedicated staff or contracted clerical services, to support the Executive Director position. Nothing in this Agreement shall obligate DEQ to provide support or funding in excess of available appropriations and funding sources. DEQ shall regularly inform the Commission of the availability of appropriate funding sources.

5. DEQ ROLE

DEQ shall provide funding as outlined above through cooperative agreements, indirect rates and other available sources to support the Executive Director position. DEQ shall

contract with a private entity to provide recruitment services for the Executive Director position directly to the Commission. DEQ shall pay, if necessary and in accordance with its policies and procedures, any appropriate moving expenses for the Executive Director. DEQ shall provide an executive, exempt, non-classified full-time DEQ position for the Executive Director position as selected and appointed by the Commission. DEQ shall assign a part-time clerical staff position to the Executive Director. The assigned clerical position shall be directly supervised by the Executive Director. DEQ shall provide payroll, retirement, medical/dental and other state employee benefits human resource services and benefits for the Executive Director and clerical staff position.

DEQ shall identify and provide the Commission, Executive Director and staff with policies, procedures and requirements applicable to exempt, non-classified DEQ employees. DEQ shall provide limited operational support for the Executive Director including assistance from DEQ's human resource and contracting staff and provision of office space and equipment, travel reimbursement and vehicle use. Except as provided in Paragraph 7 below, DEQ shall not directly supervise the Executive Director or assigned clerical staff. The Executive Director shall not directly supervise any DEQ employee other than those assigned to the Executive Director through this Agreement.

The Executive Director office shall not utilize or be reliant on DEQ staff (not assigned and directly supervised by the Executive Director) for clerical or professional office support services to implement day-to-day work on behalf of the Commission, including web page maintenance, record management, and other routine support services

6. COMMISSION ROLE

The Commission shall direct all recruitment actions, directly screen and interview potential candidates and select and appoint the Executive Director. Except as provided in Paragraph 7 below, the Commission shall directly and exclusively supervise the Executive Director including all work assignments, discipline and salary decisions. The Commission shall require the Executive Director to abide by all applicable federal and state laws and DEQ policies and procedures applicable to an exempt, non-classified DEQ employee.

7. AUTHORIZATION FOR EXECUTIVE DIRECTOR TO PERFORM WORK FOR DEQ

Notwithstanding any other provisions of this Agreement, the DEQ Director may request, and the Commission may authorize, the Executive Director to perform work on behalf of DEQ. The Director or designee shall directly supervise the Executive Director in the performance of any authorized work on behalf of DEQ. The Commission shall have no responsibility or liability for such work and may terminate its authorization at any time.

In the event any such authorized work performed by the Executive Director comes before or presented to or is discussed by the Commission, the Executive Director will inform the Commission of his involvement on behalf of DEQ and he is acting on behalf of DEQ and

not the Commission in any presentation, discussion or other interaction before the Commission regarding such work.

8. EFFECTIVENESS/TERMINATION

This Agreement shall be effective upon approval by DEQ and the Commission. This Agreement may be modified or terminated upon written agreement of the Parties. This Agreement may be unilaterally terminated by either Party upon 90 days written notice.

9. ADMINISTRATION OF AGREEMENT

Administration of this Agreement shall be by the Commissioners on behalf of Commission and by the DEQ Mine Waste Program Manager on behalf of DEQ.

Dated: 2.28.11

A handwritten signature in blue ink, appearing to read "Jon F. Fontana", written over a horizontal line.

For the Basin Environmental Improvement Project Commission

Dated: 3/7/11

A handwritten signature in blue ink, appearing to read "Lawson", written over a horizontal line.

For the Idaho Department of Environmental Quality

DEQ Director Request for Executive Director Assistance on behalf of DEQ for Calendar Year 2011

Pursuant to Paragraph 7 of the Interagency Cooperative Agreement, the DEQ Director seeks the authorization of the Commission for the Executive Director (ED) to perform work outlined below on behalf of DEQ through the end of calendar year 2011. The ED would assume these duties on the date authorized by the Commission.

Develop a BPRP Completion Plan for the Basin:

The ED would serve as the DEQ's team member in working with EPA, DEQ staff, and DEQ's contractor TerraGraphics to develop the criteria for determining when the Basin Property Remediation Program (BPRP) is completed in Basin communities and in Operable Unit 3 of the Bunker Hill Superfund Site. This effort would include a definition of geographic areas for completion, an approach to address properties where owners have refused to participate in the cleanup, and a determination of what documentation is necessary to declare an area complete. Other items may be included as needed to complete the plan.

Develop a Road Remediation Plan and Program for the Box and Basin:

The ED would serve as the DEQ's team member in working with EPA, DEQ staff, DEQ's contractor TerraGraphics, and local entities in developing a strategy to maintain road surfaces as barriers in the Box and the Basin. Establishing and maintaining roads as barriers is an important element of the long-term sustainability of the cleanup in Box and Basin communities. An inventory of road surface conditions is currently being developed using the Silver Valley Transportation Plan and the working with the East Side Highway District.

Manage operations at Big Creek Repository and East Mission Flats Repository and act as local contact for Page Repository issues:

The ED would work with DEQ's contractor and provide engineering and management oversight of activities related to contaminated fill placement and construction at the Basin repositories, expansion of the north face of the BCR, and construction of the cap test facility at BCR, in accordance with their operations plans and design plans and specifications. Other general engineering similar to the work at EMFR the past two years would also be performed as needed.

Work with EPA to develop Remedy Protection Projects for Upper Basin Side Gulches:

The ED would serve as the DEQ team member on the team headed by EPA to complete development of the remedy protection project list for Upper Basin Side Gulches (i.e. drainages outside community areas).

Support DEQ oversight of the Wallace Yard cleanup:

The ED would provide management and engineering assistance to the DEQ oversight person, basically providing advice and counsel on issues as they arise and during the project planning, construction implementation and completion phases of work.

Develop O&M coordination plan with local communities, EPA, and DEQ in conjunction with Remedy Protection Projects and other remedies:

The ED would serve as the DEQ team member in defining O&M responsibilities, determining an accountability program to ensure that proper O&M is performed on remedies, determining a process to ensure coordination of efforts, etc. This program needs to be scoped out working with the local governments, EPA and DEQ. We're just beginning to develop ideas. A good example of the need for this is the Milo Creek Flood Control District. The District was formed to maintain the Milo Creek facilities utilizing a local taxing entity. After a number of years various government officials became concerned about the operation of the facility. The Executive Director volunteered to assist the District and the District is now operating within the approved operating plan.