

EXHIBIT A
SCOPE OF SERVICES

EnviroMINE will provide the following services to the **City of Lake Elsinore** as outlined below:

A. File Review/Site Familiarity

Prior to arriving at the mining sites to conduct inspections, EnviroMINE will complete a thorough review of recent inspections and all pertinent information relating to approvals for the project. This review provides the inspector with the necessary background to allow for a thorough inspection of the site. File review will include the approved reclamation plan, use permit, environmental documentation, and any other documents important to the site inspection.

EnviroMINE has provided SMARA services and conducted Annual Inspections on the mines in Lake Elsinore since 2009 and is very familiar with history of each site. If there has been any information submitted to the City by the operators or any actions taken regarding the mines since the previous inspection, the City of Lake Elsinore is responsible for providing EnviroMINE with the updated documentation.

B. Inspections

It should be the goal of any inspection program to work as a problem solving tool. Not only are mine inspectors responsible for reviewing mining operations for compliance, the inspector must also serve as an ambassador of the lead agency. At times there are disagreements with the requirements of approval conditions and mitigation measures. The inspector will be charged with interpreting and finding solutions to these problems. For this reason, it is important to develop a cordial working relationship with the mine operator. In most cases, solutions should be arrived at in the field with the mine operator. This approach will result in fewer complaints for the lead agency and assure implementation of all compliance conditions.

EnviroMINE will perform the inspections for operations within the City of Lake Elsinore. This will include contacting the mine operators to set up a date and time to inspect the site for compliance with the Use Permit, CEQA mitigation measures, and Reclamation Plan. At least 10 days in advance of the inspection, EnviroMINE will provide written notice of the schedule to the operator.

In some instances, it may be necessary to return to the site to follow-up on deficiencies noted in the site inspection. Where deficiencies are noted, the mine inspector may be required to specifically identify violations and note these on inspection reports. Should this occur, SMARA allows mine operators 30 days to correct deficiencies before being re-inspected.

EnviroMINE understands the benefits to developing cooperative working relationships

between the mine operator and the Lead Agency. As such, we will attempt to allow the operator to correct any deficiencies in the field on the day of the inspection. If satisfactory resolution cannot be reached in the field, we will consult with City staff to gain direction for further action. If a Notice of Violation (NOV) is necessary, EnviroMINE will provide the City a draft version of the NOV for issuance by the City to the operator. Depending on the cause of action, additional time may be required to work with the City and operator to address the violation(s).

C. Financial Assurance Review

Annual review of financial assurances is required by SMARA to insure that adequate surety is available should the operator default on the reclamation requirements. Review and adjustment of financial assurances can be time consuming. This depends, in large part, on the operator's willingness to provide adequately detailed and justified estimates.

EnviroMINE is uniquely qualified to review financial assurances. EnviroMINE authored the estimating procedure utilized by the State Mining and Geology Board as adopted in their Financial Assurance Guidelines and updates over 80 financial assurance cost estimates each year for private operators.

D. Inspection Reports

Site Inspection Reports shall be completed on the forms provided for this purpose by the State Department of Mines and Geology. The state forms are referred to as the Notice to Completion of Inspection Form (NOCI-1) and the Surface Mining Inspection Report Form (MRRC-1).

Other items to be included with the report would include a listing of problem areas and issues of potential variance from the conditions of the use permit for the mining operation. Where problem areas are identified (e.g. accelerated erosion) suggested steps for correcting the problem will be listed. This information may then be used by the operator and the City to assist with implementing corrective measures.

The City of Lake Elsinore is recognized as the lead agency with ultimate authority for direction and content of information included in the inspection reports. Inspection reports will be completed and submitted to the City within 90 days following individual mine site inspections. An electronic copy in pdf format will be provided, which will include all supporting documentation.

E. Other SMARA Related Assignments

EnviroMINE staff will be available on an as needed basis to support the City in all SMARA related items when requested. Work may include:

- Review of Conditional Use Permits, Reclamation Plans, Reclamation Plan Amendments, Interim Management Plans, Financial Assurance estimates and financial mechanisms.

- Periodic site visits to operating or closed sites
- Review and become familiar with all pertinent data on the quarries and mines including but not limited to location, geology, existing use permit, prior annual reports, financial assurance estimate and mechanism, reclamation plan or interim management plan submitted by the operators or provided by the State.
- Attend meetings, conference calls and Council/Commission meetings as requested by appropriate Engineering staff. EnviroMINE understands that these may occur after routine working hours.
- Assist and represent the City with the Office of Mine Reclamation, the State Mining and Geology Board or private citizens.
- Communicate with the State on SMARA issues as needed.
- Consult with the Engineering Division and City Attorney on ongoing mining projects as needed.
- Complete additional work as requested by the Director of Public Works.

EXHIBIT B

BASIS OF COMPENSATION

EnviroMINE will complete the proposed scope of work for labor and materials charges not-to-exceed **\$35,000.00** without prior written authorization. The agreed to fee includes those cost of all labor, materials, and expenses deemed necessary in completion of the Scope of Work in accordance with the following hourly billing rates and reimbursable expense charges:

Staff	Rate
Principal	\$265.00
Vice President/Senior Project Manager	\$195.00
Project Manager	\$185.00
Project Assistant/GIS Technician	\$155.00
Research Analyst	\$115.00
Clerical	\$95.00
Mileage	\$0.65/mile
Materials	cost + 15%

All services are offered on a Time and Materials basis. Should additional effort become necessary, a revised budget assessment will be provided for CLIENT's approval prior to continuing work.

Billing for work in progress will be provided on a monthly basis. Invoices are due and payable upon receipt.