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WATER POLLUTION CONTROL

MEMORANDUM

To: Gregg Mandsager, City Administrator

From: Roger Kirby, Director WPCP

Date: July 12, 2012

Re: Contract with Jim Hahn

INTRODUCTION: We have been negotiating with Jim Hahn to extend our biosolids application contract for a longer period of time. Our existing contract would have expired in 2014. We felt that if we could convince Jim to extend the contract through December of 2020, it would allow us to do some long range planning and sell some equipment that we currently do not use because of the umbilical system and hydrants on his property.

BACKGROUND: The original contract with Jim was established in 1986 when the piping and hydrants were installed on his property. He cancelled his contract with the city in 2000 and did not want to participate any longer. I talked with Jim after I started working for the city early in 2008 and finally was able to have him renew the contract in 2010. He was only willing to renew for five years. I have recently met with Jim and discussed how much this has helped the city to save on labor, fuel, and equipment by using the umbilical system on his property. This also enabled the city to win the biosolids operation of the year award and also be featured in an upcoming issue of TPO magazine.

RECOMMENDATION/RATIONALE: I prepared a new contract that extends the agreement through December 31, 2020. Jim Hahn and his brother have signed this agreement. It needs to be approved by the city council and signed by the mayor and city administrator. Please include this approval by council on the agenda for the July 19, 2012 meeting.

AGREEMENT TO LAND APPLY LIQUID BIOSOLIDS
ON AGRICULTURAL LAND

This agreement entered into this 19th day of July, 2012, by and between the City of Muscatine, Iowa, ("City"), and F&J Hahn, Inc. and George B. Hahn, Inc. ("HAHN")

WHEREAS, the City owns and operates a Water Pollution Control Plant which generates liquid biosolids that the City has a need to spread upon agricultural land, and

WHEREAS, HAHN owns agricultural real estate located near to the City and desires that the City spread the liquid biosolids upon its agricultural land.

NOW THEREFORE IN CONSIDERATION of the mutual agreements and covenants provided herein, the parties hereto agree as follows:

1. Subject to the limitations and restrictions set forth or referred to in this agreement, HAHN grants to the City the right to spread liquid biosolids upon agricultural land owned by HAHN and the City agrees to spread liquid biosolids all in accordance with the rules and regulations prescribed therefore by the applicable federal, state, and local regulatory agencies. The City has the right to spread (allocate) available biosolids on a priority basis first to land owned by Lutheran Homes (Lutheran Homes Society). HAHN in its turn is to receive available biosolids to the extent HAHN can benefit therefrom. The application or spreading of biosolids is to be by knifing same into the soil at a depth of approximately eight inches below the ground surface. The schedule of the times of the spreading of the liquid biosolids will be mutually agreed upon by HAHN and the City and shall be changed if HAHN or HAHN's representative is of the opinion that such change is necessary or advisable because of the then condition of the farm land in order to maintain good farming practices.
2. HAHN also grants to the City an easement for the operation and maintenance of the biosolids distribution system on the property. The City may change the location of the fixed portion of the distribution system at any time at City's expense so long as the work of relocating the same and its presence after being relocated does not materially interfere with the efficiency of the farming operation. The City agrees to reimburse HAHN for any actual damages caused to the real estate or growing crops in the relocation, operation, and maintenance of the biosolids distribution system.
3. The right of the City to operate and maintain the liquid biosolids distribution system and the spreading of the liquid biosolids upon the agricultural land of HAHN shall begin July 1, 2012, and continue through December 31, 2020 thereafter at which date such rights shall terminate. This Agreement may be extended or renewed by mutual agreement of the City and HAHN.
4. The City hereby agrees to indemnify, defend, and hold harmless HAHN, its officers, directors, and employees from and against any and all claims, loss,

damages, expenses, penalties, or fines, arising out of or concerning the City's operations pursuant to this agreement, including but not limited to attorney fees and the costs of any clean up or fines imposed because of pollution caused or alleged to be caused by the spreading of the liquid biosolids by the City.

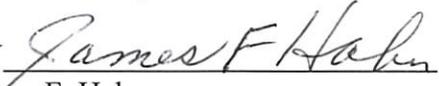
5. In the event the analysis of the liquid biosolids at any time shows that it contains matter, chemicals, or substances in such amounts which under the standards, rules, and regulations of the governmental agencies above referred to would make said liquid biosolids unsuitable or not recommended for application to agricultural lands, then such liquid biosolids shall not be applied.
6. The City agrees to provide a written annual report of the analysis of the biosolids applied to this land to the owner and/or the renter of the land.
7. This agreement shall be binding upon the parties hereto, their successors and assigns.

Executed in duplicate at Muscatine, Iowa, the date first hereinabove written.

City of Muscatine

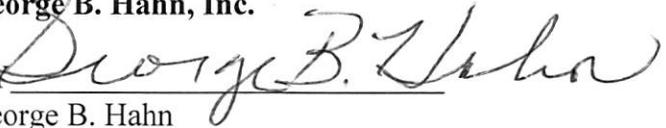
BY 
DeWayne Hopkins, Mayor

F. & J. Hahn, Inc.

BY 
James F. Hahn

ATTEST 
Greg Mandsager, City Administrator

George B. Hahn, Inc.

BY 
George B. Hahn