

to be hauled, weather conditions, land availability and other operational factors determined solely by the District.

6. Payment.

a. The District shall, in consideration for the services rendered hereunder, pay to the Contractor \$0.028 per gallon of sludge (the "Gallon Charge") hauled and injected. The Contractor will keep daily records on the volume of sludge hauled. These records will be kept on forms supplied by the District. Copies of the completed forms shall be provided to the District on a daily basis. The District reserves the right to contest any of the information provided by the Contractor on these records. Any significant changes in operation that increase transportation costs to Contractor will require rates to be revised.

b. The Contractor will submit an invoice for sludge hauled on a weekly basis that will reflect activities for the previous week. All invoices submitted by the first Thursday in the subsequent month will be paid on the day following that month's Commission meeting.

c. The Gallon Charge reflects all costs associated with the loading, transport and unloading and injection of sludge at the Field Application Site, including but not limited to: labor; fuel; all semi tractor and trailer repair, maintenance, operational, insurance and licensing costs; loading at the District's loading facility (including connecting/ disconnecting transfer hoses and operating controls and valves at the loading facility); transport; supplying a nurse tank, (including connecting/disconnecting transfer hoses and operating any controls or valves during the unloading process), assisting as necessary with the daily placement of traffic control signs at the Field Application Sites;

OLD
CONTRACT
LANGUAGE

cleaning the road off if debris or other material accumulates on the road as a result of sludge transport and unloading activities; and maintaining both loading and unloading sites in a clean and orderly fashion; record keeping; safety compliance; and all expenses or costs necessary to meet the conditions and terms of this contract.

d. The Stated Gallon Charge is applicable within the 20-mile radius from the District's treatment plant. If the application site exceeds the 20 mile-radius, the District and Contractor will discuss a rate increase at that time for such excess distance.

e. The Gallon Charge may be adjusted due to increases in diesel fuel prices & off road vehicle fuel prices.

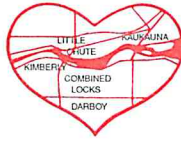
Such Adjustments shall be made based upon the cost of diesel fuel at Badger Quick Stop in Kaukauna which, as of 1/17/13, is \$3.899/gallon (the "Base"). Adjustments will be made only after a \$0.05 or greater increase above the Base. Adjustments will be made for every \$0.05 increase (increment) over the Base. If the fuel-cost drops below one of the \$0.05 increases (increments), the Gallon Charge will drop to the previous adjusted price. Each \$0.05 increase (increment) in the fuel-cost will add \$0.002 to the original Gallon Charge. If the price of fuel drops below the Base, the cost per gallon of sludge hauled and injected will remain at the original Gallon Charge of \$0.028. Contractor has responsibilities to provide the District with data on fuel price increases.

7. Emergency and Non-Emergency Response Actions. The Contractor assumes full responsibility for taking appropriate action as deemed necessary by the District, DNR, US EPA, or any other agency or unit of government in response to an emergency or non-emergency situation. These situations include, but are not limited to, response activities associated with sludge spills, accidents, injuries or complaints with the Contractor's equipment. Actions taken

OLD
Contract
Language

DISTRICT DIRECTOR:

Brian M. Helminger



COMMISSIONERS:

David J. Casper, President
Bruce M. Siebers, Vice-Pres.
Patrick E. Hennessey, Secretary
Kevin P. Coffey
John W. Sundelius

SERVING:

Combined Locks
Kaukauna
Kimberly
Little Chute
Darboy S.D.

**Heart of the Valley
METROPOLITAN SEWERAGE DISTRICT**

**801 THILMANY ROAD
KAUKAUNA, WISCONSIN 54130
(920) 766-5731 FAX (920) 766-5733
www.hvmsd.org**

SLUDGE HANDLING AGREEMENT

THIS AGREEMENT, made and entered into this 14th day of February, 2018, by and between the Heart of the Valley Metropolitan Sewerage District (“District”) and United Liquid Waste Recycling, Inc. (“Contractor”). (This is a five (5) year agreement for 2018, 2019, 2020, 2021 and 2022 Sludge Hauling Seasons.)

WITNESSETH:

WHEREAS, the District recycles liquid biosolids (“Sludge”) by applying it to agricultural land as a fertilizer and a soil conditioner; and

WHEREAS, the District desires to retain the Contractor to haul and inject sludge from its wastewater treatment plant to designated agricultural land where the sludge will be applied (the “Field Application Sites”); and

WHEREAS, Contractor desires to be retained by the District for the purposes of hauling and injecting the District’s sludge;

NOW, THEREFORE, in consideration of other good and valuable consideration, the parties hereto agree as follows:

1. Retention of Contractor. The District hereby retains the Contractor and the Contractor hereby agrees to be retained by the District for the purpose of (i) transporting sludge from the District's wastewater treatment plant and (ii) injecting such sludge on Field Application Sites. The Contractor's responsibility under this Contract to haul and inject sludge shall include, but not be limited to the following: Loading the sludge at the District's loading facility (including connecting and disconnecting transfer hoses from the nurse truck at the loading facility); transportation of the sludge; unloading the sludge from a nurse tank to an application vehicle at the Field Application Site (including connecting and disconnecting transfer hoses and operating any controls or valves on the nurse truck during the unloading process); placement of traffic control signs at the Field Application Sites; assisting, as necessary, with directing traffic around the unloading area while unloading from the nurse tank to the application vehicle; and maintaining both the loading and unloading sites in a clean and orderly condition. The Contractor will perform the subsurface injection of sludge utilizing Contractor equipment. The Contractor will coordinate with property owners to procure sites for the injection of biosolids. The District will get DNR site approvals and submit annual loading reports to the DNR. The District will determine loading rates per field. Contractor and District will coordinate the loading rates on a per field basis.

2. Manner of Transportation of Sludge to Field Application Sites. Contractor agrees to provide all machinery, equipment and vehicles required in order to provide the services described in Section 1 hereof, as is reasonable and necessary, and as requested by the District. The semi tractors and trailers must meet all Wisconsin Department of Transportation ("DOT") safety and operational requirements and the distributed weight of the semi-tractor/trailer combinations must allow for the trailer to legally carry a working capacity of up to 6,000 gallons

of sludge on the interstate highway system, and the state, county and local roads. The Contractor shall contain and/or clean up any release of sludge at either the loading and unloading areas that may occur when transfer hoses are connected or disconnected.

3. Field Application Sites. The District shall be responsible for identifying all Field Application Sites; and advising the Contractor of the same.

4. Responsibility for Monitoring. The District further shall be responsible for conducting all routine monitoring activities associated with its WPDES permit and prepare and submit all reports specified in its WPDES permit. The Contractor agrees to not transport or inject sludge which has not been generated from the District's WWTP to a District designated Field Application Site. Any Field Permit fees, from the respected townships, will be borne by Contractor. Contractor will notify District of biosolids application in the Township of Harrison, Calumet County, one day prior to scheduled application. District will notify the Township of Harrison.

5. Scheduling and Scope of Work.

a. The parties agree that the Contractor and District will coordinate the scheduling of sludge applications. Inasmuch as application of sludge can only occur at very limited times of the year given the agricultural season, it will be necessary for the Contractor to make every reasonable effort to deliver and apply the sludge volume directed by the District.

b. The Contractor acknowledges that the District makes no guarantee as to the minimum number of days or hours which may be worked by the Contractor under this Contract. Actual days and hours worked will depend on the volume of the sludge needed

to be hauled, weather conditions, land availability and other operational factors determined solely by the District.

6. Payment.

a. The District shall, in consideration for the services rendered hereunder, pay to the Contractor \$0.03 per gallon of sludge (the "Gallon Charge") hauled and injected. The per gallon charge will increase \$0.001 per gallon each year of the contract after the 2018 season. The Contractor will keep daily records on the volume of sludge hauled. These records will be kept on forms supplied by the District. Copies of the completed forms shall be provided to the District on a daily basis. The District reserves the right to contest any of the information provided by the Contractor on these records. Any significant changes in operation that increase transportation costs to Contractor will require rates to be revised.

b. The Contractor will submit an invoice for sludge hauled on a weekly basis that will reflect activities for the previous week. All invoices submitted by the first Thursday in the subsequent month will be paid on the day following that month's Commission meeting.

c. The Gallon Charge reflects all costs associated with the loading, transport and unloading and injection of sludge at the Field Application Site, including but not limited to: labor; fuel; all semi tractor and trailer repair, maintenance, operational, insurance and licensing costs; loading at the District's loading facility (including connecting/ disconnecting transfer hoses and operating controls and valves at the loading facility); transport; supplying a nurse tank, (including connecting/disconnecting transfer hoses and operating any controls or valves during the unloading process), assisting as

necessary with the daily placement of traffic control signs at the Field Application Sites; cleaning the road off if debris or other material accumulates on the road as a result of sludge transport and unloading activities; and maintaining both loading and unloading sites in a clean and orderly fashion; record keeping; safety compliance; and all expenses or costs necessary to meet the conditions and terms of this Contract.

d. The Stated Gallon Charge is applicable within the 20-mile radius from the District's treatment plant. If the application site exceeds the 20-mile radius, the District and Contractor will discuss a rate increase at that time for such excess distance.

e. The Gallon Charge may be adjusted due to increases in diesel fuel prices & off road vehicle fuel prices. Such Adjustments shall be made based upon the cost of diesel fuel at Badger Quick Stop in Kaukauna which, as of 2/14/18, is \$2.79/gallon (the "Base"). Adjustments will be made only after a \$0.10 or greater increase above the Base. Adjustments will be made for every \$0.10 increase (increment) over the Base. If the fuel-cost drops below one of the \$0.10 increases (increments), the Gallon Charge will drop to the previously adjusted price. Each \$0.10 increase (increment) in the fuel-cost will add \$0.0003 to the original Gallon Charge. If the price of fuel drops below the Base, the cost per gallon of sludge hauled and injected will remain at the original Gallon Charge of \$0.03. Contractor has responsibilities to provide the District with data on fuel price increases.

7. Emergency and Non-Emergency Response Actions. The Contractor assumes full responsibility for taking appropriate action as deemed necessary by the District, DNR, US EPA, or any other agency or unit of government in response to an emergency or non-emergency situation. These situations include, but are not limited to, response activities associated with

sludge spills, accidents, injuries or complaints with the Contractor's equipment. Actions taken by the Contractor in these situations will be done at the Contractor's expense and there will be no separate payment made by the District to the Contractor for any expenses that the Contractor might incur in responding to these situations. The District reserves the right to take whatever actions it determines may be necessary to respond to any emergency or non-emergency situation involving the Contractor or Contractor's activities. The Contractor agrees to reimburse the District for its response costs and agrees that the District may choose to deduct response costs from any monthly invoice submitted by the Contractor.

8. Insurance.

a. The Contractor shall provide (from insurance companies acceptable to the District) the insurance coverage designated hereinafter and pay all costs therefor. The policy should cover both "owned and non-owned" motor vehicles. Before commencing work under this Contract, the Contractor shall furnish the District with certificates of insurance specified herein showing the type and amount, class of operations covered, effective dates, date of expiration of policies, and containing substantially the following statement:

"The insurance covered by this certificate will not be canceled or materially altered, except after thirty days' written notice to the Heart of the Valley Metropolitan Sewerage District."

Upon breach of any provision of this article, the District may terminate this Contract.

b. The Contractor shall maintain during the life of this Contract the statutory workers compensation insurance. In addition, the Contractor shall maintain during the life of this Contract employer's liability insurance in an amount not less than \$500,000

for each occurrence, for all employees engaged in work on the project under this Contract and, in case any such work is sublet, the contractor shall require the subcontractor similarly to provide workers compensation and employers liability insurance for all of the latter's employees engaged in such work.

c. The Contractor shall maintain during the life of this Contract such public liability and property damage insurance that will protect the District, the Contractor, and any Subcontractor performing work covered by this Contract from claims for damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from operations under this Contract, whether such operations are by himself or by any subcontractor or by anyone directly or indirectly employed by either of them.

d. The amounts of such insurance required under this Section 8 shall be as follows:

\$1 million General Liability

\$1 million Auto

\$2 million Umbrella

“Broad form” property damage liability insurance in an amount not less than \$1,000,000 for each occurrence.”

The Contractor's public liability insurance and property damage insurance shall provide the primary coverage on all claims arising out of the performance of this Contract, and shall name the District, its officers, agents and employees as additional insured therein. The property damage insurance shall cover losses to the District's existing property and the policy shall include coverage for contractual liability assumed by the Contractor.

In carrying out any of the provisions hereof in exercising any authority granted by the Contract, there will be no personal liability upon any public official.

9. Indemnification. Contractor hereby agrees to indemnify and save the District harmless from any and all loss or damage incurred by the District by reason of any claim made against it as a result of any act or omission in the hauling and injection of sludge pursuant to the terms and conditions of this Agreement. For purposes of this Agreement, the phrase “loss or damage” shall include, without limitation, any and all liability for any matters relating to the hauling and injection of sludge, and all other costs, charges, damages and expenses, including but not limited to attorney’s fees, which the District may incur by reason of any action, proceeding or controversy involving in any manner whatsoever.

10. Contract Term. This Contract shall commence as of the date hereof and shall continue for a period of 5 years thereafter unless terminated earlier as provided hereunder. This Contract shall annually renew for 1-year terms after said initial 5-year term if neither party gives notice at least 60 days prior to the anniversary hereof of its intention to non-renew this Agreement or a new 5-year contract is signed. Notwithstanding any term of this Agreement, the District shall have the right to terminate this Contract at any time in the event of the occurrence of any of the following:

- a. The Wisconsin Department of Natural Resources, the U.S. Environmental Protection Agency, or any other local, state, or federal agency imposes a restriction on the District that would require sludge hauling operations to be stopped or reduced;
- b. The Contractor fails to provide the equipment specified in this Contract or fails to provide the services required hereunder in a reasonable and timely manner;

c. The Contractor fails to maintain the insurance coverage specified in Paragraph 8, above;

d. The District determines, in its sole and absolute discretion, that the Contractor is not performing in a productive manner; or

e. The Contractor's actions result in violations of existing local, state, or federal regulations.

11. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, personal representatives, heirs and assigns.

12. Applicable Law. This Agreement shall be construed and interpreted in accordance with Wisconsin law, and all suits herein or in respect hereto shall be instituted in courts having their forum within the State of Wisconsin.

13. Notices. Notices or communications relating to this Agreement shall be sufficient if sent by registered or certified mail to Contractor and the District, respectively, as follows (unless notice of a different address is duly given):

Contractor: United Liquid Waste Recycling, INC.
Attn: President
P.O. Box 247
Clyman, WI 53016

District: Mr. Brian Helminger, District Director
Heart of the Valley Metropolitan Sewerage District
801 Thilmany Road
Kaukauna, Wisconsin 54130

14. Complete Agreement. All of the terms, covenants and conditions of this Contract are set forth herein or in any exhibit attached hereto, if any, which shall be construed as a part of hereof, and all direct and indirect inducements to the making thereof relied upon by any of the

parties hereto have been expressed herein. This Contract shall supersede prior agreements, if any, between the parties hereto with respect to the transactions provided for herein.

15. Paragraph Headings. The paragraph headings as to contents of particular paragraphs herein are inserted only for convenience and are in no way to be construed as part of the provisions of this instrument or as a limitation on the scope of the particular paragraphs to which they refer.

IN WITNESS WHEREOF, the parties have executed this Sludge Hauling Agreement the day, month and year first above written.

CONTRACTOR:
United Liquid Waste Recycling, INC.

By: _____
Name: _____
Title: _____
Date: _____

DISTRICT:
Heart of the Valley
Metropolitan Sewerage District

By: _____
Brian Helminger
District Director
Date: _____