

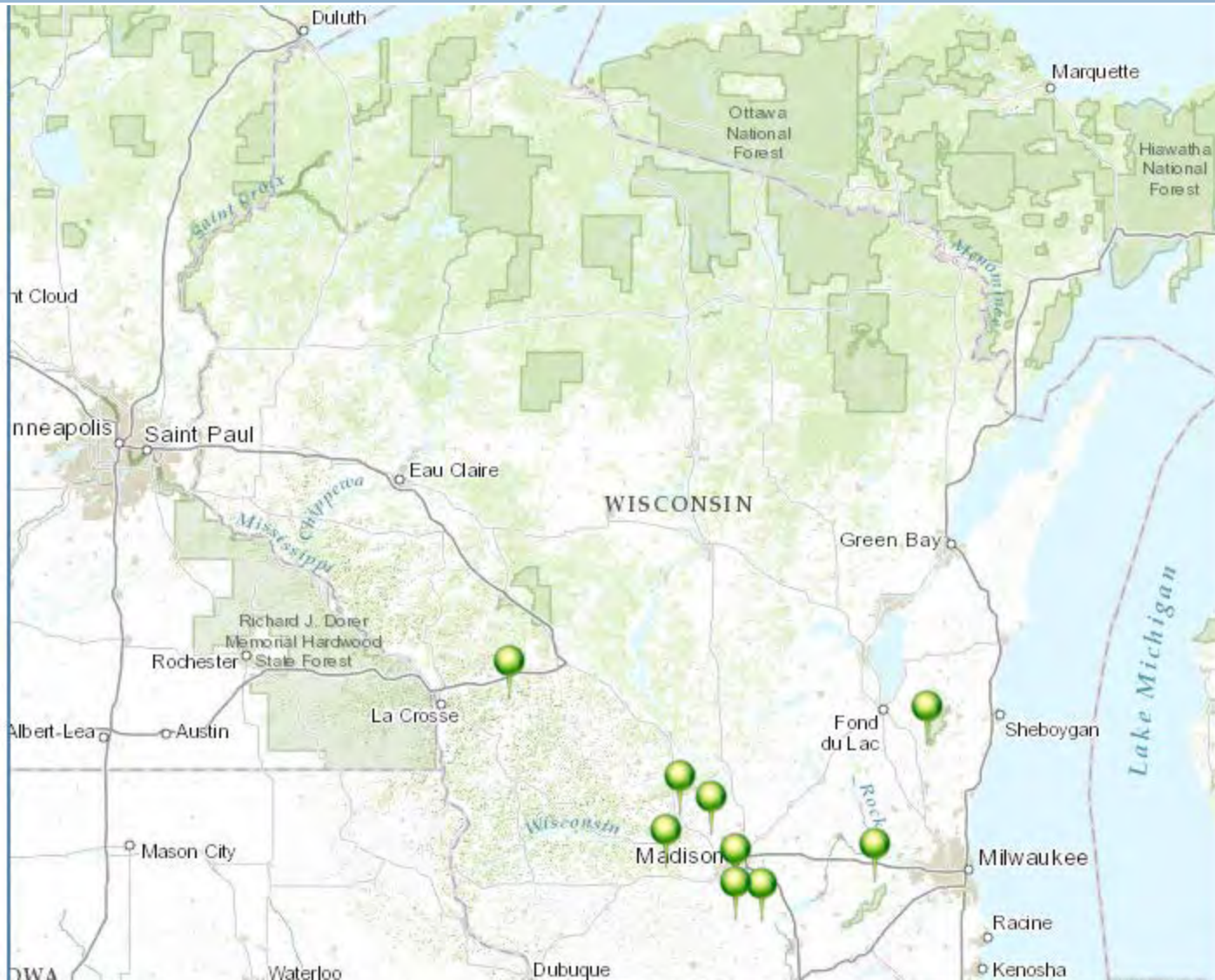
BAKER CHEESE WATER QUALITY TRADING PROJECT

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Government Affairs Seminar

February 25th, 2016

Projects Throughout State



Timeline

Jan. 2015

- Baker submits first trading proposal (NOI)

Feb. - May
2015

- SNAP+ runs submitted

July. 2015

- Draft trading plan submitted

Sept. 2015

- Final trading plan submitted & approved
- Trading agreement finalized

Oct. 2015

- Public notice for WPDES permit including hearing

Nov 2015

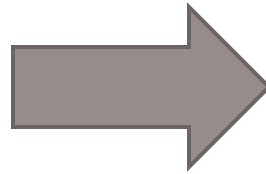
- EPA letter of support received
- WPDES permit modified

Overview of Baker Cheese

- Baker is considered a new discharge
 - ▣ Historically hauled process wastewater to other WWTFs for ultimate disposal
- Applicable TP limits
 - ▣ 0.075 mg/L, six-month average & 0.16 lbs/day
 - ▣ 0.225 mg/L, monthly average
- TP Treatment costly and has high energy and O&M demands



Reducing Uncertainty



- ✓ 20 acres of land acquired by Baker
- ✓ Permanent credit
- ✓ Low maintenance
- ✓ Limited risk of practice failure

Details

~~Trade Ratio = (Delivery + Downstream + Equivalency + Uncertainty - Habitat Adjustment):1~~

0

0.2

0

1

0

- Applicable trade ratio is 1.2:1
- P Trade report in SNAP+ used to calculate available credits
 - ▣ About 70 lbs/year credit generated
- Follow-up actions:
 - ▣ Verify prairie is established and effective
 - ▣ Some maintenance according to NRCS technical standards



How Trade Works in Permit

- NPS credits are put into an “annual bank” for use
- Report effluent TP result in mg/L and lbs/day on the DMR
- Determine and report the number of WQT TP Credits to be used
 - ▣ Effluent TP discharged - Allowable amount of TP that can be discharged (i.e. 0.16 lbs/day and 0.075 mg/L) = WQT TP credits needed (Choose the greater amount of WQT TP Credits)
- Draw from “annual bank” as needed by reporting the Computed Compliance and WQT TP Credits used on a monthly basis at the end of each month