



Baker Cheese Water Quality Trade 2016 Governmental Affairs Seminar

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Reason for Water Quality Trade

- Very stringent phosphorus requirements for new discharges, such as Baker Cheese's new wastewater treatment plant discharge.
- Baker Cheese phosphorus discharge: with use of Bio-P Removal in wastewater treatment plant, able to reduce phosphorus discharge to between 0.20 and 0.40 mg/L.
- Baker Cheese's permit for its wastewater plant requires it to limit its phosphorus emissions to 0.075 mg/L on a six month average basis.
- Wisconsin law allows use of trading to meet this stringent discharge level.

Baker Cheese Water Quality Trade

- To avoid considerable additional expense in installing and operating much more costly phosphorus removal system, Baker Cheese utilized Wisconsin's Trading Program to meet the stringent phosphorus reduction requirements.
- Baker identified nearby farm fields with phosphorus run off to convert to native prairies to achieve phosphorus reductions.
- The Probst Group conducted phosphorus testing of the fields to determine baseline conditions and determined reduced run off with native prairie using SnapPlus Modeling.

August 2016: annual cover crop



November 2016:perrenial grasses (Canada wildrye)



Water Quality Trading Plan

- Key document prepared by applicant for water quality trading.
- Incorporated into requirements of wastewater permit.
- Outlines how water quality trade meets all water quality trading requirements.
- Sets forth and attaches Establishment Plan and Operation and Maintenance Plan for phosphorus reducing activity.
- Includes modeling to set forth and demonstrate the phosphorus reductions that occur with phosphorus reduction practice.

Water Quality Trading Plan

- Includes calculation of trade ratio (minimum of 1.2:1), which is based on:
 - Delivery factor (based on whether within the same HUC12 sub-watershed).
 - Downstream factor (required if reduction practices occurs downstream of outfall and is based on pollution load ratio).
 - Equivalency factor (not needed if same pollutant).
 - Uncertainty factor (permanent vegetative cover has lowest factor of 1)
 - Habitat adjustment factor (could be beneficial)
- In Baker's case ratio determined to be 1.2:1

Requirements for Inspection in Reporting

- Requirement for monthly certification regarding pollution reduction practice.
- Requirement for at least annual inspections:
 - In first growing season, fields inspected 1 month after installation, in mid-September and in November.
 - During second, third and fourth growing seasons, fields will be inspected once each during the spring, summer and fall.
 - Thereafter inspections will be once per year.
- Annual water quality trading report:
 - Indicates number of total phosphorus reduction credits (pounds/month) used each month during previous year to demonstrate compliance.
 - Includes inspection reports from previous year and reporting of any non-compliance or failure issues.

Water Quality Trading Agreement

- Relatively simple compared to Water Quality Trading Plan.
- If permittee performs pollution reduction activity, agreement between permittee and WDNR.
- If third party performs pollution reduction activity, agreement between permittee and third party.
- Sets forth elements to ensure pollution reducing activity occurs and what happens if they do not.
- Key: protections if third party fails to perform; stepped approach if WDNR has concerns, so protect right to use trading.