June 10, 2019

Gary Skroch, Superintendent
Arcadia Water and Wastewater
401 Sobotta St
Arcadia, WI 54612

Subject: Arcadia WPDES Permit #WI-0023230
Water Quality Trading Plan – CONDITIONAL APPROVAL

Dear Mr. Skroch:

Thank you for submitting the final draft of the Water Quality Trading (WQT) Plan for the City of Arcadia. The final plan was received on May 14th, 2019. The Department has reviewed the additional documentation and final report and has no comments at this time.

Based on the WDNR review, the WQT Plan is in general conformance with the WDNR Water Quality Trading Guidance and Wis. Stat 283.84. The WQT plan indicates that the City of Arcadia will utilize Water Quality Trading to comply with the effluent limitations for TP for their discharge to the Trempealeau River through water quality trading credits generated from streambank stabilization, buffer implementation, livestock removal and site restoration. Contingent upon final agreements between the City of Arcadia and the parties associated with credit generation, the table below summarizes the total proposed phosphorus credits. These credits are generated and expire on a calendar year basis.

<table>
<thead>
<tr>
<th>Year</th>
<th>Available TP Credits (lbs/yr)</th>
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</thead>
<tbody>
<tr>
<td>2021</td>
<td>2,901</td>
</tr>
<tr>
<td>2022</td>
<td>2,901</td>
</tr>
<tr>
<td>2023</td>
<td>2,901</td>
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<tr>
<td>2024*</td>
<td>2,901</td>
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</tbody>
</table>

*In the event that this permit is not reissued prior to the expiration date, 2,901 lbs/yr of credits will be available in subsequent year(s).

The WDNR conditionally approves the WQT Plan as a basis for water quality trading during the next WPDES permit term. The WDNR has assigned the WQT plan a tracking number of WQT-2019-0008 and will be referenced as such in the draft WPDES permit. The final WQT plan will be included as part of the public notice package for permit reissuance. The draft WPDES permit will include a requirement for an annual trading report and effluent monitoring. WDNR will review the data provided by the City of Arcadia to assess whether any additional modifications to the WQT Plan and associated water quality trades are required prior to reissuance of the next WPDES permit. Any modifications to the WQT Plan within the permit term will also require a modification to the permit and a public notification period.

If you have any questions or comments, please contact me at 715-839-3712 or at benjamin.hartenbower@wisconsin.gov

Sincerely,

Benjamin Hartenbower, P.E.
CC (email):  Bill Chang, City of Arcadia
             Mike Davy, Davy Engineering
             Brice Nelson, Davy Engineering
             Matt Claucherty, WDNR
             Lacey Hillman, WDNR
             Holly Heldstab, WDNR
             Jarrod Nelson, WDNR