

Baker Cheese– St. Cloud, WI
September 28, 2015

Water Quality Trading Plan

TABLE OF CONTENTS

1	Executive Summary	1
2	Background Regarding Water Quality Trade	1
2.1	Purpose of Water Quality Trade	1
2.2	Background Regarding Total Phosphorus Permit Requirements for Outfall 003	2
2.3	Location of Outfall 003 and the Fields	2
3	Existing Land Use of the Fields, Soil Sampling, and Modeling of Potentially Tradable Phosphorus	5
3.1	Existing Land Use of the Fields	5
3.2	Soil Sampling	5
3.3	SnapPlus Modeling of Potentially Tradable Phosphorus Assuming the Current Three-Year Crop Rotation Continued	5
4	Permanent Vegetative Cover Management Practice	6
4.1	Description of Permanent Vegetative Cover Management Practice	6
4.2	SnapPlus Modeling of Potentially Tradable Phosphorus Assuming Establishment and Maintenance of Permanent Vegetative Cover Consistent with NRCS Technical Standard 327	8
5	Trade Ratio Calculation	8
5.1	Individual Trade Ratio Factors	9
5.2	Calculation of Trade Ratio Based on Individual Factors	10
6	Credit Generation Calculation	10
7	Timeline	11
7.1	Schedule for Construction and Initial Operation of Wastewater Treatment Plant	11
7.2	Schedule for Installation of Permanent Vegetative Cover Management Practice	12



8	Inspections and Reporting	12
8.1	Water Quality Trading Management Practice Registration	12
8.2	Monthly Certification	12
8.3	Inspections	13
8.4	Annual Water Quality Trading Report	14
8.5	Notification of Problems with Permanent Vegetative Cover Management Practice	14
8.6	WDNR Right to Inspect the Fields	14
9	Compliance with Water Quality Trading Checklist	15
10	Certification of Water Quality Trading Plan	16

Attachments

- 1 - Notices of Intent to Conduct Water Quality Trading Submitted by Baker Cheese to WDNR
- 2 - Map Showing General Location of Baker Cheese's Outfall 003 and the Fields
- 3 - Map Showing Baker Cheese's Outfall 003 is within the Same HUC12 Subwatershed as the Fields
- 4 - Location of Other Parcels Owned by Baker Cheese within the Upper Mullet River Subwatershed
- 5 - UW Soils Lab Testing Results and Correspondence Regarding Recommendations for Nutrient Application
- 6 - Photos Confirming Cropping Practices for 2013 and 2014
- 7 - Maps of the Fields Indicating Soil Types and Slopes
- 8 - P-Trade Report from SnapPlus Modeling Assuming Three-Year Cropping Rotation Continues until 2044
- 9 - SnapPlus Reports Containing Data Input for P-Trade Report Modeling Assuming Three-Year Cropping Rotation Continues until 2044
- 10 - Establishment Plan
- 11 - Operation and Maintenance Plan
- 12 - P-Trade Report from SnapPlus Modeling Assuming Permanent Vegetative Cover Consistent with NRCS Technical Standard 327 Continues until 2044
- 13 - SnapPlus Reports Containing Data Input for P-Trade Report Modeling Assuming Permanent Vegetative Cover Continues until 2044
- 14 - Table Calculating Total Phosphorus Credit Generation Calculation Each Year Through 2044
- 15 - Blank Practice Registration Form 3400-207



1 Executive Summary

This Water Quality Trading Plan summarizes Baker Cheese Factory, Inc.'s ("Baker Cheese") plan to use water quality trading to comply with its total phosphorus water quality-based effluent limits in its Wisconsin Discharge Elimination System ("WPDES") permit for Outfall 003 for treated process wastewater. To assist in complying with Baker Cheese's total phosphorus discharge limits, Baker Cheese has installed and will maintain permanent vegetative cover on three farm fields within the same subwatershed as Outfall 003. Baker Cheese has used SnapPlus modeling to quantify the amount of potentially tradable phosphorus from the three fields assuming current farming practices continued and the amount after installation and maintenance of a permanent vegetative cover. Using a trade ratio of 1.2:1, Baker Cheese calculated the total phosphorus water quality credits available per year based on the change in management practice from farming to permanent vegetative cover at the three farm fields. Baker Cheese will use these credits to demonstrate compliance with its total phosphorus limit in its WPDES permit.

2 Background Regarding Water Quality Trade

2.1 Purpose of Water Quality Trade

The purpose of this Water Quality Trading Plan (this "Plan") is to describe Baker Cheese's use of water quality trading to comply with the total phosphorus limits on Outfall 003 of WPDES permit WI-0050521-09-0. Baker Cheese owns three farm fields ("the Fields") within the same HUC-12 subwatershed as Outfall 003. Baker Cheese has placed the Fields into perennial vegetation and will use the total phosphorus credits generated from this management practice to comply with its total phosphorus limits in WPDES permit WI-0050521-09-0 for Outfall 003. Seeding of the perennial vegetation began July 7, 2015. Because Baker Cheese is both the credit generator and credit user, Baker Cheese is entering into a trade agreement with the Wisconsin Department of Natural Resources ("WDNR") for this trade.

In addition to Outfall 003, Baker Cheese's WPDES permit covers the following additional outfalls: Outfall 001 for process washwater to land application; Outfall 002 for noncontact cooling water and boiler blowdown to absorption pond; and Outfall 004 for wastewater treatment biosolids. Outfalls 001, 002, and 004 do not have total phosphorus effluent limits.

This Water Quality Trading Plan and the Water Quality Trade Agreement with the WDNR were developed pursuant to a Notice of Intent to Conduct Water Quality Trade. The Notice of Intent to Conduct Water Quality Trade was originally dated December 19, 2014, and was updated and resubmitted to WDNR on July 6, 2015. The Notices of Intent are included in Attachment 1 and contain the Facility ID number for Baker Cheese.



2.2 Background Regarding Total Phosphorus Permit Requirements for Outfall 003

Baker Cheese is located in St. Cloud, Fond du Lac County, Wisconsin. Historically, process wastewater at the facility has been collected and hauled to local municipalities for discharge. Recently, Baker Cheese decided to treat and discharge process wastewater onsite. Baker Cheese received revised WPDES permit WI-0050521-09-0, which is effective January 1, 2015 through December 31, 2019, and contains new Outfall 003 for treated process wastewater. Outfall 003 has limits for the discharge of phosphorus. In accordance with Wis. Stat. § 283.84 and the terms of WPDES permit WI-0050521-09-0, Baker Cheese has chosen to use water quality trading to comply with the total phosphorus limit on Outfall 003.

Baker Cheese estimates it will discharge between 31.9 and 63.9 lbs of total phosphorus per year through Outfall 003 before taking into account any total phosphorus credits generated in accordance with this Plan. This is based on Outfall 003 discharging approximately 52,400 gallons per day and a total phosphorus concentration in Outfall 003 being between 0.20 and 0.40 mg/L total phosphorus. The effluent concentrations in the wastewater that is discharged through Outfall 003 are expected by using Bio-P Removal in the wastewater treatment plant. If Bio-P Removal cannot achieve the total phosphorus concentrations in the permit requirements for Outfall 003 and the credits available through trading, then Baker Cheese will reduce flows to Outfall 003 and/or use chemicals to chemically precipitate total phosphorus from the Outfall.

In addition to the wastewater discharged through Outfall 003, Baker Cheese estimates that wastewater will be diverted from the wastewater treatment plant in order to meet limits at Outfall 003. For this diverted wastewater, Baker Cheese will continue its historic practice of hauling wastewater to local municipal wastewater treatment plants for treatment and discharge.

2.3 Location of Outfall 003 and the Fields

2.3.1 Location of Outfall 003

Baker Cheese discharges to a wetland tributary to the Mullet River through Outfall 003 at approximately: latitude 43°44'12.11"N, longitude 88°10'24.89"W. Outfall 003 is located in HUC12 Subwatershed 040301010901, which is also known as the Upper Mullet River Subwatershed. The Upper Mullet River Subwatershed is part of the larger Mullet River Watershed, which drains to the Sheboygan River. The Upper Mullet River Subwatershed is not subject to a TMDL and is not upstream of a watershed subject to a TMDL. Figure 1 below depicts the location of Outfall 003 in the Upper Mullet River Subwatershed.

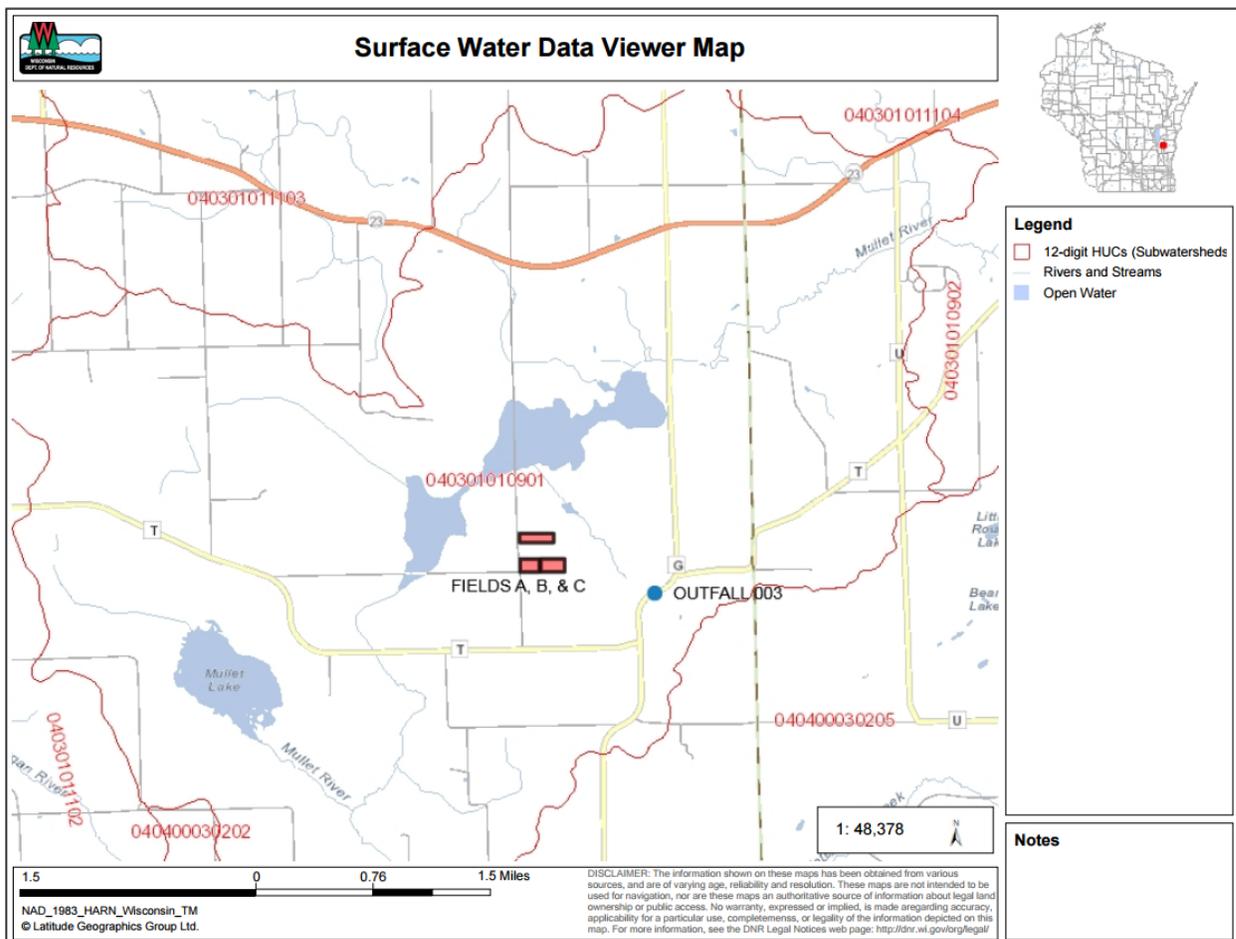
2.3.2 Location of the Fields

Baker Cheese will implement the management practice to generate total phosphorus credits on the Fields it owns near Outfall 003 that are also within the Upper Mullet River Subwatershed. The Fields are located within Parcels T10-15-19-26-03-001-00 and T10-15-19-26-04-001-00. The PLSS locations for these parcels are SW-NE, Sec. 25, T15N R19E and SE-NE, Sec. 25, T15N R19E in the Town of Forest in Fond du Lac County. The Fields total 20.4 acres and are labeled A, B, and C in Figure 1 below.

2.3.3 Location of the Fields in Comparison to Outfall 003

Figure 1 below depicts the location of the Fields on which the permanent vegetative cover management practices will be implemented in comparison to Outfall 003. The Fields are approximately 0.75 miles from Outfall 003.

Figure 1. Location of Fields A, B, and C in comparison to Outfall 003.



Additional maps that show the watershed and the Fields in more detail are included in Attachments 2 and 3.

2.3.4 Other Lands Owned by Baker Cheese

Table 1 lists other Fond du Lac County parcels owned by Baker Cheese. Attachment 4 shows the location of these parcels within Fond du Lac County. All of these parcels are located within the same HUC 12 subwatershed as Outfall 003 (HUC12#: 04030101091). Table 1 also shows the parcel number, municipality, acreage, and usage of each parcel.

All but two of the parcels listed in Table 1 (T10-15-19-36-06-006-00 and T10-15-19-36-07-001-000) are not operated as farmland. The last parcel in Table 1 (Part of T10-15-19-25-12-001-00) was farmland, but was purchased by Baker Cheese for the construction of Baker Cheese’s new wastewater treatment plant that contains Outfall 003.

Baker Cheese currently leases 2 parcels (T10-15-19-36-06-006-00 and T10-15-19-36-07-001-000) to local farmers, who operate the parcels as farmland. Baker Cheese will not take any action to cause or permit an overloading of nutrients (i.e., application of more than the greater of the reasonably determined annual nutrient needs of the crops or 7000 gallons of liquid manure (or the equivalent thereof) per acre per year) or a shifting or redirecting of nutrients from the Fields to these farmland parcels. In addition, Baker Cheese will require written confirmation from the farmer(s) that lease the farmland parcels that they will not take any action to cause or permit an overloading of nutrients or a shifting or redirecting of nutrients from the Fields to these farmland parcels.

Table 1. Parcels owned by Baker Cheese within the Upper Mullet River Subwatershed.

Parcel Number	Municipality	Acres	Land Use
T10-15-19-25-12-005-00	Town of Forest	3.0340	Driveway for Cheese Factory
T10-15-19-36-05-006-00	Town of Forest	8.2950	Cheese Factory
T10-15-19-36-06-003-00	Town of Forest	3.5900	Single Family Homestead (no farmland)
T10-15-19-36-06-005-00	Town of Forest	2.5690	Parking Lot for Cheese Factory
T10-15-19-36-06-006-00	Town of Forest	28.2560	Farmland
T10-15-19-36-07-001-00	Town of Forest	29.1900	Farmland
Part of T10-15-19-25-12-001-00	Town of Forest	2.271	Construction site of new WWTP

3 Existing Land Use of the Fields, Soil Sampling, and Modeling of Potentially Tradable Phosphorus

3.1 Existing Land Use of the Fields

For the last three years, the Fields have all been subject to the following cropping and tillage practices. In 2012, all of the Fields were planted with soybeans with a spring cultivation. In 2013, all of the Fields were planted in corn silage with a spring cultivation. In 2014, all of the Fields were planted in corn silage with a spring cultivation. Also in the spring of 2014, 50 tons/acre of semisolid dairy manure was applied to Field B. Attachment 5 contains soil testing results, correspondence regarding recommendations from Mike Rankin, Crops and Soils Agent, UW Extension – Fond du Lac County, and calculations by Mark Pronley, The Probst Group, based on those recommendations that show that at least 50 ton per acre of manure be applied to Field B.

The 2013 cropping practices are confirmed by aerial photograph (NAOP JPG2000 data set), and the 2014 cropping practices are confirmed by site photographs of the fields in the spring of 2015 showing corn remnants. These photos are included as Attachment 6.

3.2 Soil Sampling

Soils were sampled on Fields A, B, and C on November 14, 2013, and Field B was also sampled on July 23, 2014 by Mike Rankin, Crops and Soils Agent, UW Extension – Fond du Lac County. The Fields were divided into three sections along their contour lines, and approximately eight samples were taken from each section. The samples were collected in a “W” pattern across each field section. The eight samples were composited to form a single sample for each field section. This resulted in a total of nine composite soil samples for the Fields, or three composite samples for each of the Fields. The field maps included in Attachment 7 depict the field sections for sampling purposes. The composite soil samples were submitted to the UW Soils Lab for testing. Results from the soil sampling are included in Attachment 5.

3.3 SnapPlus Modeling of Potentially Tradable Phosphorus Assuming the Current Three-Year Crop Rotation Continued

SnapPlus 14.1 modeling was performed on the Fields using soil sampling results and the acreage and slope shown on the maps in Attachment 7. SnapPlus modeling resulted in a P-Trade Report, which estimates the amount of potentially tradable phosphorus (“PTP”) for the Fields. PTP is measured in pounds of total phosphorus per year.

Table 2 below contains a summary of the P-Trade Report for the Fields through 2020 assuming the past three-year crop rotation continued into the future. The full P-Trade Report that includes PTP data through 2044 is included in Attachment 8. Attachment 9 includes the underlying reports containing data inputs to SnapPlus used to generate the P-Trade Report in Attachment 8.

Table 2. Summary of the P-Trade Report generated with SnapPlus 14.1 modeling through 2020 assuming the three-year crop rotation continues.

Field Name	Soil Series	Soil Symbol	Acres	PTP 2015	PTP 2016	PTP 2017	PTP 2018	PTP 2019	PTP 2020
A-1	IONIA	IoA	4	4	4	4	4	4	4
A-2	FOX	FsB	1	4	4	4	4	4	4
A-3	THERESA	ThC2	2	14	14	15	14	13	15
B-1	THERESA	ThC2	1	4	4	7	4	4	6
B-2	THERESA	ThC2	2	8	8	14	8	8	12
B-3	THERESA	ThC2	4	14	14	24	14	14	21
C-1	THERESA	ThC2	2	7	7	8	7	7	8
C-2	THERESA	TrC3	4	30	30	33	30	30	33
C-3	THERESA	TrC3	2	16	14	15	14	14	15
TOTAL			20	100	98	125	99	97	118

4 Permanent Vegetative Cover Management Practice

4.1 *Description of Permanent Vegetative Cover Management Practice*

Baker Cheese has installed and will maintain permanent vegetative cover on the Fields consistent with the requirements of NRCS Technical Standard 327. In particular, Baker Cheese has installed and will maintain permanent vegetative cover on the Fields in accordance with the Establishment Plan included in Attachment 10 and the Operation and Maintenance Plan in Attachment 11. These plans were prepared by Carl Korfmacher, Owner, Midwest Prairies, LLC for Baker Cheese. Mr. Korfmacher’s contact information is included in both the Establishment and Operation and Maintenance Plans.

4.1.1 Description of the Establishment Plan

The Establishment Plan in Attachment 10 describes in detail how the permanent vegetative cover was installed on the Fields consistent with NRCS Technical Standard 327 in 2015. The Establishment Plan describes how the soil was prepared, the native seed that was installed, how the native seed was installed, and early maintenance activities to facilitate establishment. In general, herbicide was applied to the Fields to prepare them for seed installation. The Fields were divided into hill top, slope, and valley units, and seed mixes were specifically selected for each



area. All grass species, half of the forb species, and oats were installed with a no-till drill. Forbs are not required to establish a permanent vegetative cover for erosion control purposes, but were added pursuant to Baker Cheese's request for visual and ecological reasons. Straw mulch was applied after seed installation to accelerate seed germination. Oats were seeded as a cover crop to rapidly establish cover and erosion control during initial establishment of the perennial vegetation.

Through the remainder of the growing season, the Fields are mowed when appropriate to limit weed competition with native species. The Fields were inspected one month after installation and were inspected in mid-September and will be inspected again in November to ensure compliance with seed establishment standards. In the fall, the other half of the forb species will be broadcast to maximize forb germination and survival.

4.1.2 Description of the Operation and Maintenance Plan

The Operation and Maintenance Plan in Attachment 11 describes in further detail how the permanent vegetative cover will be maintained in future years in accordance with NRCS Technical Standard 327. The Operation and Maintenance Plan includes cover standards for the second growing season, the third and fourth growing seasons, and the fifth and subsequent seasons. The Operation and Maintenance Plan also details how herbicide applications and prescribed burning will be used to maintain the permanent vegetative cover.

The Operation and Maintenance Plan requires inspections one time each during the spring, summer, and fall of the second, third, and fourth growing seasons to ensure compliance with seed establishment standards and identify any erosion issues. Thereafter, the Fields will be inspected at least once per year between mid-August to mid-September to observe the permanent vegetative cover, confirm continued compliance with seed establishment standards, and identify any erosion control concerns. The Operation and Maintenance Plan specifically identifies potential erosion control concerns, such as bare spots and gullies, and describes how these concerns will be addressed if they are observed on the Fields.

In addition, the Operation and Maintenance Plan addresses methods to respond to a catastrophic or anomalous event. After such an event, an inspection of the Fields will occur as soon as the safety of the inspector can be assured and an emergency plan will be developed and implemented to ensure permanent vegetative cover remains on the Fields. The Operation and Maintenance Plan provides additional details for addressing specific, predictable catastrophic and anomalous events, including flooding, tornadoes and other wind-based events, and vandalism.

4.2 SnapPlus Modeling of Potentially Tradable Phosphorus Assuming Establishment and Maintenance of Permanent Vegetative Cover Consistent with NRCS Technical Standard 327

SnapPlus 14.1 modeling was performed on the Fields using the same sub-fields as in Section 3.3 but assuming establishment and maintenance of permanent vegetative cover consistent with NRCS Technical Standard 327 on the Fields. SnapPlus modeling resulted in a P-Trade Report, which calculates the amount of PTP for the Fields by year assuming the Fields are installed and maintained in permanent vegetative cover consistent with NRCS Technical Standard 327.

Table 3 below contains a summary of the P-Trade Report for the Fields through 2020 assuming the permanent vegetative cover is in place on the Fields. The full P-Trade Report that includes PTP data through 2044 is included in Attachment 12. Attachment 13 includes the underlying reports containing data inputs to SnapPlus used to generate the P-Trade Report in Attachment 12.

Table 3. Summary of the P-Trade Report generated with SnapPlus 14.1 modeling through 2020 assuming the Fields are established and maintained in permanent vegetative cover consistent with NRCS Technical Standard 327.

Field Name	Soil Series	Soil Symbol	Acres	PTP 2015	PTP 2016	PTP 2017	PTP 2018	PTP 2019	PTP 2020
A-1	IONIA	IoA	4	0	0	0	0	0	0
A-2	FOX	FsB	1	0	0	0	0	0	0
A-3	THERESA	ThC2	2	2	0	0	0	0	0
B-1	THERESA	ThC2	1	1	0	0	0	0	0
B-2	THERESA	ThC2	2	1	0	0	0	0	0
B-3	THERESA	ThC2	4	2	0	0	0	0	0
C-1	THERESA	ThC2	2	1	0	0	0	0	0
C-2	THERESA	TrC3	4	3	0	0	0	0	0
C-3	THERESA	TrC3	2	2	0	0	0	0	0
TOTAL			20	12	2	1	1	0	0

5 Trade Ratio Calculation

The difference in PTP generated by the SnapPlus modeling is adjusted by the applicable trade ratio to determine the amount of credits the credit user can receive for the management practice. As described in WDNR’s “Guidance for Implementing Water Quality Trading in WPDES Permits” dated August 21, 2013 (“WQT Guidance”), the trade ratio is the sum of the delivery, downstream, equivalency, and uncertainty factors less any habitat adjustment factor. The trade ratio can be summarized as:

Trade Ratio = (Delivery + Downstream + Equivalency + Uncertainty – Habit Adjustment):1

See WQT Guidance at Section 2.11. For trades between point sources and nonpoint sources, there is a minimum trade ratio of 1.2:1. See WQT Guidance at Section 2.11.6.

As described in further detail by factor below, Baker Cheese’s management practice results in the minimum trade ratio of 1.2:1.

5.1 Individual Trade Ratio Factors

5.1.1 Delivery Factor

As discussed earlier, the Fields subject to the permanent vegetative cover management practice are within the same HUC12, the Upper Mullet River Subwatershed, as Baker Cheese’s Outfall 003. In addition, the Fields are very close, approximately three-quarters of a mile, from Outfall 003. Because the Fields are within the same HUC12 as Baker Cheese’s Outfall 003, the delivery factor is not needed (i.e., it is zero). See WQT Guidance at § 2.11.1.

5.1.2 Downstream Factor

WDNR determined that the Fields are downstream of Outfall 003. Accordingly, the WQT Guidance requires Baker Cheese to include a downstream factor. See WQT Guidance at § 2.11.2. WDNR used the pollutant load ratio estimation tool (PRESTO) to determine Baker Cheese’s downstream factor, which is the model required for determining a downstream trading factor in section 2.11.2 of the WQT Guidance.

Using PRESTO modeling, WDNR estimated that the watershed upstream of Baker Cheese contributes approximately 50 pounds of phosphorus per year to the intermittent stream that WDNR considers to be the point of standards application for Baker Cheese’s discharge. Baker Cheese’s estimated annual discharge of phosphorus through Outfall 003 is between 31.9 pounds and 63.9 pounds, as explained in section 2.2 of this Plan. The average of this range is 47.9 pounds per year of total phosphorus discharged. Accordingly, Baker Cheese’s average annual load contributes 48.9 percent of the total annual phosphorus load at the point where Baker Cheese’s discharge enters the intermittent stream. Using the chart in section 2.11.2 of the WQT Guidance, a contribution of 48.9 percent results in a downstream trading factor of 0.2. Thus, Baker Cheese’s downstream trading factor is 0.2.

5.1.3 Equivalency Factor

The permanent vegetative cover management practice on the Fields will reduce total phosphorus loadings to the subwatershed. Baker Cheese is using the total

phosphorus credits generated by the permanent vegetative cover management practice to comply with the total phosphorus limits on Outfall 003. Because total phosphorus reductions are being used to generate total phosphorus credits, an equivalency factor is not needed (i.e., it is zero). *See* WQT Guidance at § 2.11.3.

5.1.4 Uncertainty Factor

The Fields are in permanent vegetative cover, as described earlier in Section 4. According to Table 4 of the WQT Guidance, land in perennial vegetation that is established and maintained consistent with NRCS Technical Standard 327 results in an uncertainty factor of 1. *See* WQT Guidance at § 2.11.4, Table 4.

5.1.5 Habitat Adjustment Factor

Baker Cheese is not claiming any beneficial habitat adjustment, so a habitat adjustment factor is not needed (i.e., it is zero). *See* WQT Guidance at § 2.11.5.

5.2 Calculation of Trade Ratio Based on Individual Factors

Inserting the above factors into the WQT Guidance's trade ratio formula results in a trade ratio of 1.2:1:

$$\begin{aligned}\text{Trade Ratio} &= (0 + 0.2 + 0 + 1 - 0):1 \\ &= 1.2:1\end{aligned}$$

Accordingly, Baker Cheese will use a **1.2:1** trade ratio for estimating credits generated by the management practice.

6 Credit Generation Calculation

For each year, the total phosphorus credit generated from the management practice is the difference between the PTP based on SnapPlus modeling assuming the prior crop rotation was continued and the PTP based on SnapPlus modeling assuming a permanent vegetative cover is installed and maintained on the Fields, divided by the trade ratio. Thus, the credit generated equals:

$$\text{Total Phosphorus Credits Per Year} = (\text{PTP Assuming Crops Rotation Continued} - \text{PTP Assuming Permanent Vegetative Cover}) \div \text{trade ratio}$$

Table 2 in Section 3.3 summarizes the PTP for each year assuming the crop rotation from 2012 through 2014 continued into the future. Table 3 in Section 4.2 summarizes the PTP for each year assuming a permanent vegetative cover is installed and maintained on the Fields. As discussed in Section 5, the applicable trade ratio is 1.2:1. Table 4 below

summarizes the credit generated for each year through 2020 based on the modeled PTP and trade ratio.

Table 4. Credit Generation Calculation Through 2020.

Year	2015	2016	2017	2018	2019	2020
PTP Assuming Crop Rotation Continues (lbs P/yr)	100	98	125	99	97	118
PTP Assuming Permanent Vegetative Cover (lbs P/yr)	12	2	1	1	0	0
Difference in PTP	88	96	124	99	97	118
Credits Generated	73.3	80.0	103.3	82.5	80.8	98.3

For example, in 2015:

PTP Assuming Crop Rotation Continues: 100 lbs P/yr (from Section 3.3)
 PTP Assuming Permanent Vegetative Cover: 12 lbs P/yr (from Section 4.2)
 Trade ratio: 1.2:1 (from Section 5.2)

Total Phosphorus Credits = (PTP Assuming Crop Rotation Continues – PTP Assuming Permanent Vegetative Cover) ÷ trade ratio

Total Phosphorus Credits = (100 lbs P/yr – 12 lbs P/yr) ÷ 1.2 = 73.3 lbs P/yr

Attachment 14 contains a table summarizing the credit generated for each year based on the PTP in the P-Trade Reports contained in Attachments 8 and 12. The table in Attachment 14 indicates the credit generated for each year through 2044.

Baker Cheese may utilize the credits generated each year as shown in Table 4 and Attachment 14 to comply with the total phosphorus water quality-based effluent limits in its WPDES Permit WI-0050521-09-0.

7 Timeline

7.1 Schedule for Construction and Initial Operation of Wastewater Treatment Plant

Baker Cheese began construction of the Industrial Wastewater Treatment Plant in July 2015. Estimated start-up date and initial discharge of treated wastewater through Outfall 003 in accordance with Baker Cheese’s WPDES permit will occur on approximately December 1, 2015.

7.2 Schedule for Installation of Permanent Vegetative Cover Management Practice

- Late June 2015: Herbicide was applied to the Fields.
- Starting July 7, 2015: Native grasses, half of the native forbs, and oats were installed in the Fields with a no-till drill and straw mulch applied to the Fields after seed installation.
- August 6, 2015: The Fields were inspected to ensure germination of the oat cover crop and initial germination of native grasses.
- Mid-September 2015: The Fields were inspected to confirm the establishment of native grasses was consistent and widespread and to develop a cover cropping plan for winter, if necessary.
- November 2015: The remaining half of the forb species will be broadcast on the Fields and the Fields will be inspected prior to winter.

Note that this timeline does not include specific dates for mowing or herbicide applications, if necessary, as these establishment activities will depend on the presence and growth rate of weed species. Further details on when mowing or herbicide applications may occur are in the Establishment Plan.

8 Inspections and Reporting

8.1 Water Quality Trading Management Practice Registration

Baker Cheese will file a completed Registration Form 3400-207 for Water Quality Trading Management Practice Registration (“Practice Registration Form”) separately from this Plan. A blank Practice Registration Form is included in Attachment 15.

8.2 Monthly Certification

Each month Baker Cheese will certify that the permanent vegetative cover management practice is operated and maintained in a manner consistent with this Water Quality Trading Plan or provide a statement noting noncompliance with this Plan. A certification of compliance may be made by including the following statement as a comment on the monthly discharge monitoring report:

I certify that to the best of my knowledge the management practice identified in the approved water quality trading plan as the source of total phosphorus reduction credits is installed, established and properly maintained.

8.3 Inspections

During the first growing season, the Fields were inspected one month after installation, were inspected in mid-September, and will be inspected in November. These inspections are described in further detail in the Establishment Plan in Attachment 10. During the second, third, and fourth growing seasons, the Fields will be inspected once each during the spring, summer, and fall. Thereafter, the Fields will be inspected at least once annually between mid-August and mid-September of each year. These inspections are described in further detail in the Operation and Maintenance Plan in Attachment 11. The Fields will also be inspected as soon as the safety of the inspector can be assured after a catastrophic or anomalous event, as described in the Operation and Maintenance Plan.

Inspections will be performed by Baker Cheese or its prairie restoration consultant. Baker Cheese's prairie restoration consultant is Midwest Prairies, LLC at the time of the submittal of this Plan. The inspector will inspect the Fields generating the total phosphorus reduction credits to confirm implementation of the permanent vegetative cover management practice and that the management practice is being appropriately maintained. The inspection will confirm compliance with the appropriate standards and identify any erosion issues. During each inspection, the inspector will walk the Fields and take both close-up and distant photos of the Fields. The inspector will also take notes regarding plant diversity, density, overall ecological health, and any erosion issues. Any issues identified by the inspector during 2015 will be addressed as described in the Establishment Plan and any issues identified by the inspection in 2016 or later will be addressed as described in the Operation and Maintenance Plan.

The inspection reports will include:

- The name of the inspector;
- The inspection date;
- The relevant standards set forth in the Establishment Plan or Operation and Maintenance Plan for the growing season in which the inspection occurs and whether the Fields have met the standards;
- Whether erosion concerns were identified and, if so, what those concerns are;
- When and how any identified issues with meeting standards and erosion concerns were addressed;
- When and how any identified issues with meeting standards and erosion concerns will be addressed in the future.

Inspection reports generated during each inspection will be included with the Annual Water Quality Trading Report submitted by Baker Cheese pursuant to Section 8.4 of this Plan.

8.4 Annual Water Quality Trading Report

Baker Cheese shall report to WDNR by January 31 of each year the following:

- The number of total phosphorus reduction credits (lbs/month) used each month of the previous year to demonstrate compliance;
- Inspection reports of the permanent vegetative cover management practice that generated the total phosphorus reduction credits used during the previous years; and
- Identification of noncompliance or failure to implement any terms or conditions of WPDES permit WI-0050521-09-0 with respect to water quality trading that have not been reported in discharge monitoring reports.

8.5 Notification of Problems with Permanent Vegetative Cover Management Practice

Baker Cheese will notify WDNR by a telephone call to WDNR's regional office within 24 hours after becoming aware that total phosphorus reduction credits used or intended for use by Baker Cheese are not being implemented or generated as set forth in this Water Quality Trading Plan and its attachments, including the Establishment Plan and Operation and Maintenance Plan.

Baker Cheese will follow up with a written notice within five (5) days after Baker Cheese becomes aware that the total phosphorus reduction credits are not being implemented or generated as set forth in this Plan and its attachments. WDNR may waive the requirement for submittal of a written notice within five days and instruct Baker Cheese to submit the written notice with the next regularly scheduled monitoring report required by Baker Cheese's WPDES Permit. The written notice will contain a description of how and why the total phosphorus credits are not being implemented or generated as set forth in this Plan and its attachments; the steps taken or planned to reduce, eliminate, and prevent reoccurrence of the identified problem; and the length of time the identified problem is expected to continue. Baker Cheese will work to rectify the identified problem in accordance with this Plan and its attachments, including the Establishment Plan and Operation and Maintenance Plan.

8.6 WDNR Right to Inspect the Fields

Any duly authorized officer, employee, or representative of WDNR shall have the right to access and inspect the Fields pursuant to Wis. Stat. § 283.55(2) so long as Baker Cheese's trade agreement with WDNR and this Plan remain in effect.

9 Compliance with Water Quality Trading Checklist

This Water Quality Trading Plan complies with the Water Quality Trading Checklist in Table 8 at page 37 of the WQT Guidance. This Plan must comply with the requirements for Credit Source (e) in Table 8. Credit Source (e) includes sources where “credits are obtained from a construction project or implementation of a plan undertaken by the credit user for sources other than that covered by the credit user’s WPDES permit.” Baker Cheese will be installing permanent vegetative cover on the Fields, which are not currently covered by Baker Cheese’s WPDES permit.

Below is a list of the elements of a Water Quality Trading plan for credit sources classified as (e) under Table 8. This list includes where in this Water Quality Trading Plan each element is addressed:

- Permittee’s/credit user’s WPDES permit number. Baker Cheese’s WPDES permit number is WI-0050521-09-0 and is included in Section 2.2.
- Permittee’s/credit user’s contact information. Baker Cheese’s contact information is included in Section 10.
- Pollutant(s) for which credits will be generated. Credits will be generated for total phosphorus as discussed in Section 2.1 and Section 6.
- Amount of credits available from each location/management practice/local governmental unit when acting as a broker. The amount of credits generated per year by installing and maintaining permanent vegetative cover on the Fields is set forth in Table 4 in Section 6 and in Attachment 14.
- Certification that the content of the trading application is accurate and correct. Certification that the content of this trading application is accurate and correct is included in Section 10.
- Signature and date of signature of permittee’s/credit user’s authorized representative. Baker Cheese’s authorized representative’s signature and date of signature is included in Section 10.
- Location(s) where credits will be generated (e.g., map of field or site where management practice will be applied including major drainage way(s) from the project). Maps indicating the location of the Fields and Outfall 003 are included in Section 2.3 and in Attachments 2 and 3.
- Identification of method(s) including management practice(s) that will be used to generate credits at each location. The management practice applied to the Fields is permanent vegetative cover consistent with NRCS Technical Standard 327 and is explained in Section 4.1 and Attachments 10 and 11.
- Duration of agreement (e.g., the design life of the management practice) with each credit generator. The design life of the permanent vegetative management practice is perpetual as described in Section 4.1.
- Schedule for installation/construction of each management practice. The schedule for installation of the permanent vegetative practice is included in Section 7.2.

- Operation and maintenance plan for each management practice used to generate credits. The operation and maintenance plan for the permanent vegetative cover management practice is summarized in Section 4.1 and included in full in Attachment 11.
- Date when credits become available for each management practice (i.e., when practice is established and effective). The date when credits become available is December 1, 2015 when the permit is modified, and this date is referenced in Section 7.1.
- Model(s) used to derive the amount of credits. The model used to derive the amount of credits is SnapPlus version 14.1 as referenced in Sections 3.3 and 4.2.
- The applicable trade ratio for each management practice including supporting technical basis (see Table 4 on p. 20 of WQT Guidance). The applicable trade ratio is 1.2:1 and the technical basis and calculation of the trade ratio is included in Section 5.

10 Certification of Water Quality Trading Plan

The undersigned hereby certifies that this Water Quality Trade Report is to the best of his knowledge accurate and correct.

BAKER CHEESE FACTORY, INC.

By: _____

Jeff Baker

Vice President

Baker Cheese Factory, Inc.

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