

Appendix I – Example Trade Agreements

Last Revised: March 2026

1.1 Example Trade Agreement for Point to Point Source Trades

Notice

This is an example agreement and should be amended to meet the needs and conditions of the specific agreement. The Department does not require final trade agreements to be submitted with the trading plan. However, these documents must be presented upon request by the Department.

Credit User Information

Credit User Name (Permittee)	Credit User Permit Number	Trade Agreement Number		
Credit User Address	City	State	ZIP Code	

Project Name

Credit User Receiving Water Name	HUC 12
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Project Name

Credit Generator Information

Credit Generator Name (Permittee)	Credit User Permit Number		
Street Address	City	State	ZIP Code
Credit Generator Receiving Water Name	HUC 12		

Method for Generating Credit

Pollutant Trade Agreement

The property described above is enrolled in a Water Quality Trade Agreement. Funds are provided to the credit generator in return for pollution credit generated from the installation, operation and maintenance of treatment technology. This agreement commits the credit generator to agree to, and comply with, more restrictive permit requirements so that credits are available for trading.

Credit Generator's applicable limit (TBEL, WQBEL, or TMDL-derived limit) prior to trade:

applicable limit post trade:

Credit Generator's applicable limit (TBEL, WQBEL, or TMDL-derived limit) prior to trade:

applicable limit post trade:

Section A – General Requirements

Example:

- A 1. This agreement may be amended by mutual agreement of either party, so long as the agreement has not yet expired.
- A 2. This agreement is effective from the date signed by all parties through the end date of the permit terms.

Section B – Credit Generator Shall:

Example:

- B 1. Design, install, operate and maintain treatment to comply with permit requirements consistent with this trade agreement.
- B 2. Report treatment failures in a timely matter to WDNR and the credit user.

Section C – Grantee Shall:

Example:

- C 1. Provide cost sharing to the credit generator consistent with this agreement.
- C 2. Make cost-share payments to the credit generator upon permit reissuance once the credit generator's permit has been modified to reflect the trade.

Signature of Authorized
Representative of Credit User

Typed Name of Authorized
Representative of Credit User

STATE OF WISCONSIN)
) Personally came before me this _____ day of
) _ 20 _____.
)
 _____) ss.
County) The above named
) _ to me known to be the person(s) who executed the
) foregoing instrument and acknowledge the same.
)

Signature of Notary
Public
Notary Public _____ County, Wisconsin
My commission (is permanent) (expires _____).

Other Signer- Specify title or relationship: _____
Signed this _____ day of _____, 20
.

Signature

Signature

Typed Name

Typed Name

STATE OF WISCONSIN)
) Personally came before me this _____ day of
) _ 20 _____.
)
 _____) ss.
County) The above named
) _ to me known to be the person(s) who executed the
) foregoing instrument and acknowledge the same.
)

1.2 Example Trade Agreement for Point to Nonpoint Source Trades

NOTE: This template is provided as a reference and starting point for anyone developing an agreement between a point source Credit User and a nonpoint source Credit Generator for Water Quality Trading (WQT). It is not required to be used. The Wisconsin Department of Natural Resources (WDNR) does not guarantee that this template addresses all the needs and preferences of a given trade relationship. Parties to the agreement should add, remove, or edit as they see fit. Bolded text, blank underlines, and empty tables throughout this document are areas where those using this template should make sure to add their own details. While WDNR staff are available to answer basic factual questions, parties should engage their own counsel or consultants for any legal questions. WDNR does not require final trade agreements to be submitted with the trading plan. However, these documents must be presented upon request by WDNR.

Section A – General Information

A1. Parties to this Agreement

Credit User Information

Credit User/Permittee	
Credit User Address	
Individual Point of Contact	
WPDES Permit Number	

Credit Generator Information

Credit Generator Name	
Landowner/Operator Name (if separate from Credit Generator)	
Credit Generator Address	
Individual Point of Contact	

Credit Broker Information (If relevant)

Credit Broker Name	
Credit Broker Address	
Individual Point of Contact	

A2. Background & Purpose

Water Quality Trading (WQT) is an alternative compliance option for WPDES permit holders allowing credits to be generated by properly installing and maintaining management practices within the same watershed as the permitted discharger to offset pollutant load to the watershed. WQT is authorized by Wis. Stat. § 283.84. The Wisconsin Department of Natural Resources (WDNR) has issued Guidance for Implementing Water Quality Trading in WPDES permits (Guidance Number 3200-3400-3800-2020-03). The purpose of this Water Quality Trade is for **(INSERT Credit User/Permittee name)** to be in compliance with **(INSERT pollutant name)** limits in their WPDES permit.

Before WDNR can modify or reissue a WPDES permit to allow for WQT, the permittee must submit a WQT plan which contains sufficient detail for WDNR to confirm that the management practices will comply with Wis. Stat. § 283.84 and that the WQT will result in the permittee complying with their WPDES permit. Once the WQT plan is approved by WDNR, management practices can be installed and can begin to generate credits as per the approved

WQT Plan. Management practices must be maintained as outlined in the WQT Plan and associated Operation and Maintenance Plans in order to generate credits that the permittee can use. The purpose of this agreement is for the Credit User and the Credit Generator to define their separate responsibilities in this arrangement. Responsibilities for payment, maintenance, repair, inspection, and reporting are described in this agreement. Actions to be taken if the responsible parties fail to uphold the agreement are described in Section E of this agreement.

A3. Management Practices

This section provides a summary of the management practices that will be installed and the payment to the Credit Generator. Operation & Maintenance plans are attached to this agreement and are referenced in the table below. Include legal descriptions of properties in Table 2 as numbered in Table 1 if recording on deed.

TABLE 1: MANAGEMENT PRACTICES COVERED BY THIS AGREEMENT.

#	Location of Practice (Parcel # & other land descriptors)	Practice Type (i.e. perennial vegetation, filter strip, etc.)	NRCS Technical Standard Code	Quantity & Unit (# acres, feet, etc.)	Payment amount & frequency (INSERT price/unit) every (INSERT DATE DD/MM/YYYY)	Reference to O & M Plan (page # of this document)	Installed From (MM/YY)	To (MM/YY)
1								
2								
3								
4								
5								

TABLE 2: LEGAL DESCRIPTION OF PROPERTIES IN THIS AGREEMENT

1	
2	
3	
4	
5	

Printed Name of Credit Generator:

Signature of Credit Generator:

Printed Name of Credit User:

Signature of Credit User:

Section B – General Requirements

- B1. This agreement shall become effective once signed by both parties or their designated representatives, pending WDNR approval of the WQT plan and modification or reissuance of the WPDES permit to allow for WQT.
- B2. This agreement is effective for the term of the issued WPDES permit unless the permit is modified, terminated, revoked, or reissued by WDNR to eliminate the WQT or revise the WQT such that the new WQT terms are inconsistent with this agreement.
- B3. This agreement is binding for the Credit Generator, the Credit User, and any other parties to the agreement and their successors and affiliates as long as the agreement remains in effect.
- B4. This agreement may be amended by mutual written agreement of the parties as long as the agreement is not expired, and the amendment does not alter the management practices. If the amendment alters the management practices or Operation and Maintenance Activities, then that is an alteration of the WQT Plan and must be approved by WDNR.
- B5. This agreement may be terminated at any point in time by written mutual agreement of the parties.
- B6. This agreement may extend into a subsequent reissued permit term upon mutual agreement of the parties as long as both parties are in good standing with their obligations outlined in this agreement as of the agreement’s expiration date. The Credit User must inform the Credit Generator in writing of intent to renew (INSERT # of days) before expiration of the current contract. The WQT Plan, agreement, and permit terms may be revised as part of modification or reissuance of the permit by WDNR.
- B7. If any management practices will be installed on rented land, the rental agreement shall be consistent with the terms of this agreement. If the Credit Generator does not own the land, the landowner should also be party to this agreement.
- B8. The following entity(s) shall ensure that any and all permits required for constructing the practice(s) are acquired prior to the start of construction:
 - The Credit User**
 - The Credit Generator**
 - Other:**
- B9. If a significant archeological or historical site is found, construction of management practices is to cease immediately and be reported to WDNR. The management practices will be relocated, redesigned, or deleted upon approval in writing by WDNR to prevent damage to the archeological or historical site.
- B10. This agreement shall be interpreted pursuant to the laws of the State of Wisconsin.
- B11. If any provision of this agreement is held invalid or unenforceable, the invalidity or unenforceability shall be limited to the particular provision involved and shall not affect the validity or enforceability of the remaining provisions. The parties shall work together in good faith to modify this agreement if necessary to preserve its original intent.

Section C – Credit Generator Requirements

- C1. Credit Generator shall install and maintain management practices consistent with the Water Quality Trading plan and Operation & Maintenance plans for each practice, which can be found as attachments to this agreement.
- C2. If the Credit Generator needs to modify the management practice(s) or maintenance activities in any way that deviates from the WQT Plan, the Credit Generator must provide the Credit User with all of the information necessary for the Credit User to update the WQT Plan and associated Operations & Maintenance Plans. The Credit Generator must not make any modifications until they have received approval from the Credit User.

- C3. Damage to a practice resulting from an event out of the Credit Generator's (or Credit Generator's affiliates) control is not by itself considered a violation of this agreement. If damage to a practice occurs, or if regular maintenance activities dictated by the Operations & Maintenance Plan cannot occur due to a reason outside of the Credit Generator's control, the Credit Generator is required to report the incident to the Credit User within 48 hours of discovering the damage or failing to complete necessary maintenance. If damages to management practices resulting from such events can be repaired via regular maintenance activities, the Credit Generator is responsible for the time or monetary costs of repairing the damaged practice and shall do so to the maximum extent possible within one month of reporting the issue to the Credit User. If complete repair cannot reasonably be achieved within one month, the Credit Generator must notify the Credit User.
- C4. The Credit Generator shall not deliberately remove or alter a practice without written approval of the Credit User. Such removal or alteration entitles the Credit User to terminate this agreement and cease payments to the Credit Generator.
- C5. The Credit generator grants the Credit User and its affiliates access to the property for inspection and maintenance purposes and for the collection of soil samples if needed.
- C6. Any duly authorized officer, employee or representative of WDNR shall have the right to access and inspect locations of the management practices described in Table 1 of this agreement pursuant to Wis. Stat. § 283.84 so long as this agreement remains in effect.

Section D – Credit User Requirements

D1. The Credit User will pay the Credit Generator the amount total in Table 1 of this agreement via the following method:

- In installments via (INSERT direct deposit, check, etc.) by (INSERT day) each (INSERT month, year, etc.).
- As a lump sum via (INSERT direct deposit, check, etc.) by this date: (INSERT date)

Failure to deposit this amount within (INSERT # of days) of the agreed upon date entitles the Credit Generator to terminate this agreement and stop maintaining the management practices.

D2. Verification that the management practices have been properly installed will be performed by:

- The Credit User**
- An affiliate of the Credit User, identified by name here:**

A record of this verification will be submitted to WDNR. The Credit User is responsible for submitting the Management Practice Registration Form(s) to WDNR.

D3. Annual inspections of the management practices will be performed by:

- The Credit User**
- An affiliate of the Credit User, identified by name here:**
- The Credit Broker**

Annual Inspections will be performed **during the month of (INSERT MONTH)**. Records of these inspections will be submitted by the Credit User to WDNR in the form of an annual inspection report. Annual Reports shall include details from site inspections as well as descriptive photos and any relevant communication between the Credit User and Credit Generator.

D4. In the event that changes must be made to management practices, the Credit User shall update their WQT Plan and associated Operations & Maintenance plans and receive written approval of the changes from WDNR before allowing those changes to be made. The Credit User shall communicate with WDNR to ensure that the changes do not put them out of compliance with their WPDES permit.

D5. In the event that a management practice is damaged by an event outside of the Credit Generator's control and it cannot be repaired by the Credit Generator's regular maintenance activities, the Credit User shall:

- Provide adequate funding for the repair to the Credit Generator and inspect the management practice to confirm that it is adequately repaired; Or
- Hire a third party to perform the necessary repairs and inspect the management practice to confirm that it is adequately repaired.

The Credit User shall report such incidents to WDNR and obtain WDNR's approval for repairs and alterations. The Credit User is responsible for any resulting permit non-compliance.

Section E – Remedies

- E1. If the Credit User and Credit Generator are unable to reconcile a dispute arising from this agreement, the parties agree to submit the claim to mediation first and mutually agree on a mediator. The mediation process will be held in **(INSERT city, state)**.
- E2. All disputes arising from this agreement that are not able to be settled through mediation shall then proceed to arbitration.
- E3. In the case of mediation and arbitration, the Credit Generator and Credit User are responsible for their own attorney fees and will equally share the common costs and fees associated with alternative dispute resolution process costs. WDNR shall not be a party in either mediation or arbitration proceedings concerning private contractual disputes.
- E4. In the event that either party to this agreement is unable to perform its obligations as described in this agreement because of a natural disaster or other causes beyond the party's reasonable control, the party will not be liable to any other party for damages resulting from failure to perform obligations outlined in this agreement.

Credit Generator

Signed this _____ day of _____, 20 ____.

Signature of Credit Generator

Signature of Credit Generator

Typed Name of Credit Generator

Typed Name of Credit Generator

STATE OF WISCONSIN

)

Personally came before me this _____ day of _____, 20 ____.

)

_____ County

) ss.

The above named _____ to me known to be the person(s) who executed the foregoing instrument and acknowledge the same.

)

Signature of Notary Public

Typed Name of Notary Public

Notary Public _____ County, Wisconsin

My commission (is permanent) (expires _____).

Landowners (if not operator)

If the landowner section is not completed, check (X) one or both of the following that apply

Landowner is also operator

Trade agreement contains only high residue management, nutrient management, pesticide management, cropland protection cover (green manure)

Signed this _____ day of _____, 20 ____.

Signature of Landowner (if not operator)

Signature of Landowner (if not operator)

Typed Name of Landowner (if not operator)

Typed Name of Landowner (if not operator)

STATE OF WISCONSIN

)

Personally came before me this _____ day of _____, 20 ____.

)

_____ County

) ss.

The above named _____ to me known to be the person(s) who executed the foregoing instrument and acknowledge the same.

)

Signature of Notary Public

Typed Name of Notary Public

Notary Public _____ County, Wisconsin

My commission (is permanent) (expires _____).

Credit User

Signed this _____ day of _____, 20 ____.

Signature of Credit User

Typed Name of Credit User

STATE OF WISCONSIN

)

Personally came before me this _____ day of _____, 20 ____.

)

_____ County

) ss.

The above named _____ to me known to be the person(s) who executed the foregoing instrument and acknowledge the same.

)

Signature of Notary Public
Notary Public _____ County, Wisconsin
My commission (is permanent) (expires _____).

Other Signer- Specify title or relationship (Credit Broker or other entity): _____
Signed this _____ day of _____, 20 ____.

Signature

Signature

Typed Name

Typed Name

STATE OF WISCONSIN)
) Personally came before me this _____ day of _____, 20 ____.
)
 _____ County) ss. The above named _____ to me known to be the
) person(s) who executed the foregoing instrument and acknowledge the same.
)

Signature of Notary Public
Notary Public _____ County, Wisconsin
My commission (is permanent) (expires _____).

Typed Name of Notary Public

Other Signer- Specify title or relationship: _____
Signed this _____ day of _____, 20 ____.

Signature

Signature

Typed Name

Typed Name

STATE OF WISCONSIN)
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Notary Public _____ County, Wisconsin
My commission (is permanent) (expires _____).

Typed Name of Notary Public

Other Signer- Specify title or relationship: _____
Signed this _____ day of _____, 20 ____.

Signature

Signature

Typed Name

Typed Name

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Signature of Notary Public

Typed Name of Notary Public

Notary Public _____ County, Wisconsin

My commission (is permanent) (expires _____).

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