Water Quality Trade Agreement between
City of Monroe and Wisconsin Department of Natural Resources

This Water Quality Trade Agreement (this "Agreement") is made by and between City of Monroe ("Monroe") and the Wisconsin Department of Natural Resources ("the Department") and together "the Parties".

1. Recitals

a. Water quality trading is an alternative compliance option for Wisconsin Permit Discharge Elimination System ("WPDES") Permit holders and is authorized by Wis. Stat. § 283.84.

b. Wis. Stat. § 283.84(l)(e) provides that, "the [the Department] may authorize a person required to obtain a permit to increase the discharge of pollutants above levels that would otherwise be authorized in the permit if the person . . . reaches a binding, written agreement with [the Department] under which the person constructs a project or implements a plan that results in reducing the amount of water pollution from sources other than the source covered by the permit."

c. The Department has issued guidance regarding water quality trading, including:

1) Guidance for Implementing Wisconsin's Phosphorus Water Quality Standards for Point Source Discharges, No. 3400-2020-12, (Edition 3, June 1, 2020);

2) Guidance for Implementing Water Quality Trading in WPDES Permits, No. 3200-3400-3800-2020-03 (June 1, 2020).

d. Monroe submitted a Permit application for issuance of a WPDES Permit on February 20, 2020. The Permit is for a wastewater discharge from its treatment facility located in Monroe, Wisconsin.

e. The WPDES Permit will contain phosphorus water quality based effluent limits ("WQBELs") for Outfall 001, which is located in HUC-12 subwatershed 070900031004.

f. Monroe owns and will implement a wet detention pond, removal of cropland from production, and streambank stabilization within the same hydrologic region as Outfall 001.

g. The descriptions of the lands that include the wet detention pond, cropland conversion, and streambank stabilization are:

Detention Pond: Industrial park owned by Monroe for future expansion of the municipality. Parcel #: 2325150011525
Cropland: One field was recently acquired by the city for use as a second industrial park that is currently farmed in a corn/soy rotation. Parcel #s: 2325150270000 & 2325150282000. The second field is property acquired by the facility to allow for expansion of the treatment facility that is currently farmed in corn. Parcel #: 2302005311000
Streambanks: A portion of the bank along Honey Creek is owned by the City. Parcel #: 2325123541100

Monroe submitted to the Department a Water Quality Trading Plan (WQT Plan) under which Monroe will install a wet detention, remove cropland from production, and implement streambank stabilization to reduce pollution to surface waters of the State.

h. The management practices will be installed and maintained relative to the NRCS Conservation Practice Standard listed below in Table One:

Table One – Conservation Practice Standards

NRCS Conservation Practice Standard	Number
NRCS Standard – Streambank Stabilization	580
NRCS Standard – Crop Conversion	590
DNR Standard – Wet Detention Pond	1001

l. The WQT Plan includes an Establishment Plan and an Operation and Maintenance Plan for the wet detention pond, crop fields, and streambanks.

2. Agreement Terms

a. Monroe shall establish practice consistent with the requirements in the approved WQT Plan (including the Establishment Plan, and the Operation and Maintenance Plan).

b. The Department will propose to reissue the WPDES Permit to allow Monroe to use water quality trading as a compliance option, in accordance with the WQT Plan as approved by the Department.

c. Subject to the terms of this Agreement and the terms of the WPDES Permit issued to Monroe, the Department shall allow Monroe to utilize phosphorus credits in the amount set forth in the approved WQT Plan to demonstrate compliance with phosphorus WQBELs in the WPDES Permit, provided Monroe implements the approved WQT Plan and complies with the related trading terms of the Permit.

d. Any duly authorized officer, employee or representative of the Department

shall have the right to access and inspect practice location pursuant to Wis. Stat. § 283.55(2) so long as this Agreement remains in effect.

e. The Agreement shall become effective on the later date of the completion of the following conditions: i.) the Department approves a WQT plan that is consistent with this Agreement; and ii.) The WPDES Permit includes trading terms that are consistent with both the approved WQT Plan and the terms of this Agreement.

f. The Agreement applies and is effective for the term of the issued Permit unless, subject to this section the Permit is modified, terminated or revoked and reissued by the Department to eliminate the trade or to revise the trading terms in a manner that is inconsistent with this Agreement. If the trade is removed or revised through a Permit action, this Agreement is terminated. In accordance with Wis. Stat. § 227.51(2), if the trade has not been eliminated or modified through a Permit action, and if Monroe files a timely application for the reissuance of the Permit, the terms of the Agreement will continue until the later of the following: 1.) the application has been finally acted upon by the Department, 2.) the last day for seeking review of the agency's decision or 3.) a later date fixed by a reviewing court. The Agreement may extend into a subsequent reissued Permit upon approval of the Department.

g. The Parties may terminate this Agreement by written mutual agreement at any time.

h. Monroe may terminate this Agreement by providing at least sixty (60) days written notice to the Department of Monroe's intent to terminate the Agreement.

i. In accordance with paragraph (h) and the procedures and requirements of Wis. Stat. § 283.53(2) and Wis. Admin. Code §§ NR 203.135 and 203.136, the Department may terminate this Agreement and modify or remove the terms of the Permit related to the trade if any one of the following occur:

1) Monroe fails to implement the WQT Plan as approved by the Department;

2) Monroe fails to comply with WPDES Permit terms and conditions related to water quality trading;

3) New information becomes available that causes the Department to determine that water quality trading is no longer an acceptable option, including an objection or disapproval of the trade by USEPA.

j. Any action by the Department to terminate this Agreement or otherwise to reduce or eliminate the number of phosphorus credits in the reissued WPDES Permit and approved WQT Plan shall be implemented through a modification, revocation and reissuance or reissuance of the W PDES Permit. Prior to

termination of this agreement, the Department shall notify Monroe of its intent to terminate the trading agreement and shall provide an opportunity for Monroe to discuss the proposed termination with the Department. If appropriate and feasible, the Department shall provide Monroe with a reasonable time period to correct the grounds for the proposed termination.

k. This Agreement may be amended only by a further written document signed by each of the Parties. The WQT Plan, Agreement and Permit terms may be revised as part of a future Permit reissuance or modification.

l. This Agreement shall be interpreted pursuant to the laws of the State of Wisconsin.

m. This Agreement may be executed in one or more counterparts, and all such executed counterparts shall constitute the same agreement. A signed copy of this Agreement transmitted by facsimile or email shall be treated as an original and shall be binding against the party whose signature appears on such copy.

n. 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.

o. In no event shall the Department be liable to any party under this Agreement or to any third party in contract, tort or otherwise for incidental or consequential damages of any kind, including, without limitation, punitive or economic damages or lost profits, except as provided under federal or state laws.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year entered below.

City of Monroe

By: _____

Title: Utility Supervisor

Date: 5/13/22

WISCONSIN DEPARTMENT OF NATURAL RESOURCES

By: _____

Title: Water Quality Director

Date: 5/16/2022