

**PHOSPHORUS CREDIT AGREEMENT
BETWEEN LA CROSSE COUNTY, VILLAGE OF WEST SALEM
AND LAKE NESHONOC PROTECTION AND REHABILITATION DISTRICT
WITH REGARDS TO THE SECOND LAKE NESHONOC
DREDGE PROJECT**

Whereas, in 2000 La Crosse County, Lake Neshonoc Protection and Rehabilitation District and the State of Wisconsin through a boating grant all contributed funds to an initial dredging project of Lake Neshonoc, which primary purpose was to create a sediment trap at the mouth of the La Crosse River where it dumps into Lake Neshonoc and to create additional fish habitat. Because Lake Neshonoc is a lake created by the Neshonoc Dam, most of the bottom of the lake is land that is legally owned by La Crosse County. For the first dredge project a bowl area was created on land owned by La Crosse County for purposes of depositing the water and dredge material so that the dredge material could drop out and then the water could be returned to Lake Neshonoc. At the time of this initial dredge project, there were no phosphorus credits available for such a project and, therefore, no phosphorus credit agreement was entered into by the parties.

Since the original dredge project was completed, the dredge bowl area has been conveyed by La Crosse County to the Village of West Salem for future dredge work and storm water retention issues related to the Lakeview Business Park storm water drainage.

The Village of West Salem Sanitary Sewer Utility (hereinafter "Sewer Utility") has for the last two years been engaging Cedar Corporation to prepare and submit plans to the Wisconsin Department of Natural Resources regarding the renewal of its sanitary

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sewer plant licensure. As part of that planning process, the Sewer Utility has been pursuing an alternative with regards to its sewer plant modifications whereby the plant would pursue a limited upgrade to reduce its phosphorus output and would seek sufficient phosphorus credits to meet its phosphorus reduction requirements at the sewer plant through a second dredging project of Lake Neshonoc.

Over the last two years staff of the Village of West Salem, La Crosse County and Lake Neshonoc Protection and Rehabilitation District (hereinafter "Lake District") have discussed generally this proposed second dredge of Lake Neshonoc and potential funding between the parties but up until this date no formal agreement has been reached between the parties with regards to funding of this second dredge of Lake Neshonoc or the rights with regards to any phosphorus credits granted by the Wisconsin Department of Natural Resources as a result of this dredge project.

An application for a permit to remove materials from the bed of Lake Neshonoc was prepared by the Sewer Utility and was submitted by La Crosse County on behalf of the Sewer Utility and the Lake District to the Wisconsin Department of Natural Resources. The Wisconsin Department of Natural Resources grant the permit to Charles Handy and the La Crosse County Planning Department under permit IP-WC-2019-32-03439. Based on the rest of this agreement, the parties desire that the permit grantee be changed to Jim Leicht, Chairman, Lake Neshonoc Protection & Rehabilitation District and Teresa DeLong, Village Administrator, West Salem Sanitary Sewer Utility, and that Charles Handy and the La Crosse County Planning Department be removed as grantee.

This agreement is being entered into between the parties to address the Sewer Utility's right to conduct the dredge of Lake Neshonoc lake bottom owned by La Crosse County and the agreement that La Crosse County will provide no funding for the project but the parties agree to cooperate in the project as described herein.

Therefore, the parties agree as follows:

1. The parties consent to the Wisconsin Department of Natural Resources removing Charles Handy and the La Crosse County Planning Department as grantee under permit IP-WC-2019-32-03439 and adding as co-grantees Jim Leicht Chairman Lake Neshonoc Protection & Rehabilitation District and Teresa DeLong Village Administrator, West Salem Sanitary Sewer Utility.
2. The Sewer Utility and Lake District will take the lead in this dredging operation and will issue plans and specifications for the removal of at most between 400,000 and 600,000 cubic yards of sediment from Lake Neshonoc by dredge and will hire a contractor to complete the work scope and manage the project to completion. La Crosse County agrees to authorize the dredge of the land it owns under the body of water known as Lake Neshonoc and to cooperate with regards to all applications to the Wisconsin Department of Natural Resources and the Corps of Engineers regarding said project. As part of this, the County hereby provides written approval to the Wisconsin Department of Natural Resources that the dredge permit can be issued to the Sewer Utility or Lake District as applicable.

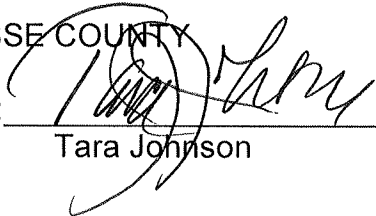
3. The Sewer Utility and the Lake District will provide all of the initial funding for this dredge project through completion on the terms they later agree to. La Crosse County will provide no initial funding for this project.

4. The Sewer Utility and the Lake District will share in the phosphorus credits between themselves based on the percentage of funds they contributed to the complete cost of the dredge project versus the complete cost of the dredge project. (For example, if the Sewer Utility contributes \$500,000 to the dredge project and the total cost of the dredge project is \$2,000,000, the Sewer Utility will receive one-quarter of the credits and the Lake District will receive three-quarters of the credits.) (Complete cost of dredge project to include all engineering, legal, administrative costs, filing and permit fees and all funds paid to contractor's engaged to complete the project) The Sewer Utility will cooperate in this such that if it initially receives more credits than called for by this allocation agreement, it will then, upon completion of payment for the project, provide the documentation to the Wisconsin Department of Natural Resources to assign the credits to the Lake District to which it is entitled. If, on the other hand, the Lake District receives credits for this project in a greater amount than called for by this allocation agreement, they agree to file with the Wisconsin Department of Natural Resources whatever documentation is necessary to assign those credits to the Sewer Utility pursuant to this initial apportionment agreement. If for some reason the Wisconsin Department of Natural Resources awards phosphorus credits to La Crosse County as a result of this dredge project, La Crosse County agrees to file with the Wisconsin Department of Natural Resources whatever documentation is necessary to

assign those credits to the Sewer Utility and the Lake District pursuant to the terms of this initial apportionment agreement.

5. The Lake District agrees that if the sale of its credits results in funds in excess of debt, the Lake District will work with La Crosse County Land Conservation to try to develop projects to reduce future sedimentation of Lake Neshonoc.

Dated: Jan 14, 2020

LA CROSSE COUNTY
By: 
Tara Johnson

Dated: 1/16/2020

VILLAGE OF WEST SALEM - SEWER UTILITY
By: 
Dennis Manthei, Village President

Dated: 1/16/2020


Teresa DeLong, Village Administrator

LAKE NESHONOC PROTECTION AND
REHABILITATION DISTRICT

Dated: 1-16-20

By: Jim Leicht
Jim Leicht - Chairman

Dated: 1-16-2020

Lill Twining
Lill Twining – Secretary/Treasurer