



## Nutrient Trading/Offset Work Group Meeting

February 12, 2026, 10:30 a.m. - 12:30 p.m.

2401 Colonial Dr. Helena, MT 59601

Wilderness Room

Join via Zoom:

<https://mt-gov.zoom.us/j/85106799423>

Dial by Phone: 1 (206) 337-9723, Webinar ID: 851 0679 9423

**Meeting Purpose:** Overview workgroup role and individuals' contributions; hear external members' interest in participating; plan timeline for the calendar year

**Opening Remarks from Andy Ulven and Tatiana Davila (Water Quality Planning and Water Protection Bureau Chiefs).** Welcoming remarks and kickoff from Andy.

### Preliminaries

- Roll Call and introductions
  - Andy Ulven, WQPB
  - Tatiana Davila, WPB
  - Toni Henneman, LSD, WPIC
  - Shawn Kohtz, Bozeman Public Works
  - Hannah New, WPB
  - Mark Ockey, WQPB
  - Kyle Milke, WQPB
  - Eric Sivers, WQD
  - Greg Bryce. Hydrometrics
  - Hannah Riedl, WQPB
  - Clayton Elliot, TU
  - Sarah Zuzulock, GNA, engineering/conservation
- Agenda (hard copies available at the door)

### Relevant Documents (introduced by Hannah Riedl)

- [HB736](#). Hannah walked through the document and outlined major concepts and directions. Greg highlighted the ability to trade/offset across HUC12 boundaries subject to adjacency. Sarah noted that she supported the bill but has concerns about the defined ratios. Group agreed this topic is worth devoting at least one meeting.
- [Circular DEQ-13](#) Hannah briefly introduced DEQ-13 and outlined the current state and original intent of

the document. She highlighted the major sections that need revisions to meet the new intent. Kyle provided a link to the load reduction guide that was appended to DEQ-13. Hannah noted that this guide will need updates coming from this group's work. Greg noted that he has the goal of identifying specific methodologies that provide certainty so that dischargers are encouraged to use this tool. Shawn mentioned timing of projects related to permit renewal cycles to reduce having to modify permits during the permit effective dates. Greg raised how would the credit/trade/offset be incorporated into an existing permit with an effluent limit. Sarah noted the commonly expressed desire in the previous nutrient work group for clarity on how effluent limits will be determined and expressed.

- [ARM 17.30.1701](#) Hannah noted the nutrient trading rule will be revised to remove references to numeric nutrient criteria, but that the rule provides sideboards for DEQ-13 revisions.

### Round Robin

- Please introduce yourself and the organization/entity you represent, your interest in and expectations for the group, and what you bring to the table (thank you!)
  - Hannah Riedl: NPS has background and knowledge on the typical projects that landowners are willing to implement and how effective they are. They also have good relationships with watershed groups and other NPS partners. Funding from NPS section of CWA and the funding has restrictions on application to permits that limits resources they can provide for implementing permit requirements.
  - Clayton Elliot: TU is interested in improving water quality and developing creative tools to do that. The growth of incentives and funding for NPS projects is exciting. Would like to find something to promote stability in ongoing debate over nutrient management.
  - Greg Bryce: Historic interest dating to adoption of DEQ-13 but encountered reluctance from discharging clients to pursue NPS reductions due to lack of specificity and predictability in the circular.
  - Shawn Kohtz: Bozeman has made significant investments in nutrient reduction and is looking for more cost-reasonable ways to improve water quality in the watershed than investing \$190M in tertiary treatment. They are willing to spend the money and sponsor the projects but need the regulatory tool in order to use ratepayer funds. Hannah asked what was missing from DEQ-13. Lack of specific path and integration of timing with permit cycle are the two answers.
  - Sarah Zuzulock: What's the balance between a discharger's responsibility compared to what gets passed on to ratepayers? How are these projects funded and who is responsible? The discussion over how this differs between public and private dischargers is worthwhile. Supports trading as a regulatory tool to improve water quality and has significant experience working with divergent opinions. Raised the issue of public engagement and how this group's work is vetted by the public. [Andy noted that the nutrient workgroup was repealed in HB 664 (2025). Workgroup wasn't directed by HB 736, but DEQ recognized the need for some outside expertise. We may have public attendance as these meetings are public and noticed on the website.]
  - Kyle Milke: Trading/offsets are a great way to improve water quality and looks forward to the dialog.
  - Hannah New: Looking forward to developing how these concepts can be incorporated into permits and learning more about NPS activities.
  - Eric Sivers: I'm primarily taking notes and participating at a general level rather than

providing a specific viewpoint. I will chime in according to need.

**Future Meeting Logistics** Hannah Riedl discussed the rulemaking timeline and how that should guide our work. She proposed a goal of having draft rules by the end of 2026 when the legislative blackout descends. Mark asked for clarity that the package would include both rule and circular.

- Major topics to cover (working list)
  - Eligible best management practices
  - Offset ratios

Hannah Riedl suggested other topics:

- Quantification and verification of reductions
- Sequencing of trades relative to permit renewals
- Funding of projects, responsibility for costs
- Outreach and advertising of new opportunities for compliance and NPS improvements
- Sarah recommended discussion of HUC12 boundaries and how they are applied

Meeting duration? Is a monthly 2-hour commitment acceptable? Shawn feels it'll take at least that. The group recommended a 3-hour block to honor the commitment. Sarah suggested half-day sessions that may be able to cover more than one topic or devote solid time to one topic. It also makes the travel commitment worthwhile. The group agreed on monthly half-day meetings, with the option to have them in either Bozeman or Butte as well.

Public comment: Lilly McLane from Gallatin Watershed Council: thanks for the opportunity to listen in. She's interested in the topic given her work and academic background and will continue listening in on the discussion.

- Offset quantification and verification
  - Changes required for successful implementation
- Meeting frequency and duration

**General Comments from Work Group Members**

**Public Comment**