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A bill to be entitled

An act relating to water resources; amending s. 163.3167, F.S.; requiring local governments to include projected water use in comprehensive plans; amending s. 163.3177, F.S.; including potable water facilities and availability of water resources as components of a comprehensive plan; amending s. 367.081, F.S.; revising procedure for fixing and changing rates to include the recovery of costs of alternative water supply facilities; amending s. 367.0814, F.S.; revising limit on the amount of revenues received by a utility to qualify for staff assistance in changing rates or charges; creating s. 367.0818, F.S.; authorizing the Florida Public Service Commission to establish conservation or drought rates; amending s. 373.0361, F.S.; including conservation measures in regional water supply plans; providing for a technical committee and providing duties thereof; amending s. 373.0831, F.S.; requiring the governing board of a water control district to include certain information in its annual budget request; creating s. 373.186, F.S.; providing legislative findings and intent with regard to landscape irrigation design; creating s. 373.190, F.S.; requiring individual water meters in certain establishments; providing exceptions; amending s. 373.1961, F.S.; providing for funding for certain water management districts; providing funding priority; providing conditions for certain projects to receive funding assistance; amending s. 373.219, F.S.; providing an exception from permit requirements for certain water uses; amending s. 373.223, F.S.; providing criteria for designation of proposed use of water by a



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31 utility as a reasonable-beneficial use; providing for
32 informative billing by utilities; prohibiting the sale of
33 consumptive use water rights; creating s. 373.2231, F.S.;
34 providing for consideration of impact of proposed water
35 use; amending s. 373.236, F.S.; requiring the Department
36 of Environmental Protection or the water management
37 district to adopt rules relating to longer duration
38 permits under certain circumstances; creating s. 373.4271,
39 F.S.; requiring the department, in consultation with the
40 district, to adopt rules relating to concurrent review of
41 consumptive use permit and environmental resource permit
42 applications; amending s. 378.212, F.S.; allowing a
43 variance from pts. III and IV of ch. 378, F.S., and pt. IV
44 of ch. 373, F.S., to accommodate reclamation; amending s.
45 403.064, F.S.; providing for metering use of reclaimed
46 water and volume-based rates therefor; requiring
47 wastewater utilities to submit plans for metering use and
48 volume-based rate structures to the department; amending
49 s. 403.0645, F.S.; providing for reclaimed water use at
50 state facilities; requiring reports; amending s. 403.1835,
51 F.S.; providing for development of rate structures for
52 alternative water supply systems; providing criteria;
53 amending ss. 373.016, 373.1962, 373.217, and 373.229,
54 F.S.; conforming cross references to changes made by the
55 act; providing an effective date.

56

57 Be It Enacted by the Legislature of the State of Florida:

58

59 Section 1. Subsection (13) is added to section 163.3167,
60 Florida Statutes, to read:



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61 163.3167 Scope of act.--

62 (13) Each local government shall address in its
63 comprehensive plan the availability of water supplies necessary
64 to meet the projected water use demands for the established
65 planning period, compatible with any applicable plan developed
66 pursuant to s. 373.0361.

67 Section 2. Paragraph (a) of subsection (3) and paragraph
68 (a) of subsection (6) of section 163.3177, Florida Statutes, are
69 amended to read:

70 163.3177 Required and optional elements of comprehensive
71 plan; studies and surveys.--

72 (3)(a) The comprehensive plan shall contain a capital
73 improvements element designed to consider the need for and the
74 location of public facilities in order to encourage the
75 efficient utilization of such facilities and set forth:

76 1. A component which outlines principles for construction,
77 extension, or increase in capacity of public facilities, as well
78 as a component which outlines principles for correcting existing
79 public facility deficiencies, which are necessary to implement
80 the comprehensive plan. The components shall cover at least a 5-
81 year period.

82 2. A component which outlines plans for construction,
83 extension, or increase in capacity of potable water facilities.
84 Such component shall be compatible with the applicable regional
85 water supply plan developed pursuant to s. 373.0361. Such
86 component shall include a water conservation section that
87 outlines potential water savings to be gained through water
88 conservation practices.

89 ~~3.2-~~ Estimated public facility costs, including a
90 delineation of when facilities will be needed, the general



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91 location of the facilities, and projected revenue sources to
 92 fund the facilities.

93 ~~4.3-~~ Standards to ensure the availability of public
 94 facilities and the adequacy of those facilities including
 95 acceptable levels of service.

96 ~~5.4-~~ Standards for the management of debt.

97 (6) In addition to the requirements of subsections (1)-
 98 (5), the comprehensive plan shall include the following
 99 elements:

100 (a) A future land use plan element designating proposed
 101 future general distribution, location, and extent of the uses of
 102 land for residential uses, commercial uses, industry,
 103 agriculture, recreation, conservation, education, public
 104 buildings and grounds, other public facilities, and other
 105 categories of the public and private uses of land. Each future
 106 land use category must be defined in terms of uses included, and
 107 must include standards to be followed in the control and
 108 distribution of population densities and building and structure
 109 intensities. The proposed distribution, location, and extent of
 110 the various categories of land use shall be shown on a land use
 111 map or map series which shall be supplemented by goals,
 112 policies, and measurable objectives. The future land use plan
 113 shall be based upon surveys, studies, and data regarding the
 114 area, including the amount of land required to accommodate
 115 anticipated growth; the projected population of the area; the
 116 character of undeveloped land; the availability of ground and
 117 surface water resources for present and future water supplies
 118 and the potential for development of alternative water supplies;
 119 the availability of public services; the need for redevelopment,
 120 including the renewal of blighted areas and the elimination of



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121 nonconforming uses which are inconsistent with the character of
 122 the community; and, in rural communities, the need for job
 123 creation, capital investment, and economic development that will
 124 strengthen and diversify the community's economy. The future
 125 land use plan may designate areas for future planned development
 126 use involving combinations of types of uses for which special
 127 regulations may be necessary to ensure development in accord
 128 with the principles and standards of the comprehensive plan and
 129 this act. In addition, for rural communities, the amount of land
 130 designated for future planned industrial use shall be based upon
 131 surveys and studies that reflect the need for job creation,
 132 capital investment, and the necessity to strengthen and
 133 diversify the local economies, and shall not be limited solely
 134 by the projected population of the rural community. The future
 135 land use plan of a county may also designate areas for possible
 136 future municipal incorporation. The land use maps or map series
 137 shall generally identify and depict historic district boundaries
 138 and shall designate historically significant properties meriting
 139 protection. The future land use element must clearly identify
 140 the land use categories in which public schools are an allowable
 141 use. When delineating the land use categories in which public
 142 schools are an allowable use, a local government shall include
 143 in the categories sufficient land proximate to residential
 144 development to meet the projected needs for schools in
 145 coordination with public school boards and may establish
 146 differing criteria for schools of different type or size. Each
 147 local government shall include lands contiguous to existing
 148 school sites, to the maximum extent possible, within the land
 149 use categories in which public schools are an allowable use. All
 150 comprehensive plans must comply with the school siting



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151 requirements of this paragraph no later than October 1, 1999.
 152 The failure by a local government to comply with these school
 153 siting requirements by October 1, 1999, will result in the
 154 prohibition of the local government's ability to amend the local
 155 comprehensive plan, except for plan amendments described in s.
 156 163.3187(1)(b), until the school siting requirements are met.
 157 Amendments proposed by a local government for purposes of
 158 identifying the land use categories in which public schools are
 159 an allowable use or for adopting or amending the school-siting
 160 maps pursuant to s. 163.31776(3) are exempt from the limitation
 161 on the frequency of plan amendments contained in s. 163.3187.
 162 The future land use element shall include criteria that
 163 encourage the location of schools proximate to urban residential
 164 areas to the extent possible and shall require that the local
 165 government seek to collocate public facilities, such as parks,
 166 libraries, and community centers, with schools to the extent
 167 possible and to encourage the use of elementary schools as focal
 168 points for neighborhoods. For schools serving predominantly
 169 rural counties, defined as a county with a population of 100,000
 170 or fewer, an agricultural land use category shall be eligible
 171 for the location of public school facilities if the local
 172 comprehensive plan contains school siting criteria and the
 173 location is consistent with such criteria.

174 Section 3. Subsection (2) of section 367.081, Florida
 175 Statutes, is amended to read:

176 367.081 Rates; procedure for fixing and changing.--

177 (2)(a)1. The commission shall, either upon request or upon
 178 its own motion, fix rates which are just, reasonable,
 179 compensatory, and not unfairly discriminatory. In every such
 180 proceeding, the commission shall consider the value and quality



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181 of the service and the cost of providing the service, which
 182 shall include, but not be limited to, debt interest; the
 183 requirements of the utility for working capital; maintenance,
 184 depreciation, tax, and operating expenses incurred in the
 185 operation of all property used and useful in the public service;
 186 and a fair return on the investment of the utility in property
 187 used and useful in the public service. Pursuant to s.
 188 373.1961(2)(1), the commission shall allow recovery of the full,
 189 prudently incurred costs of alternative water supply facilities.
 190 However, the commission shall not allow the inclusion of
 191 contributions-in-aid-of-construction in the rate base of any
 192 utility during a rate proceeding, nor shall the commission
 193 impute prospective future contributions-in-aid-of-construction
 194 against the utility's investment in property used and useful in
 195 the public service; and accumulated depreciation on such
 196 contributions-in-aid-of-construction shall not be used to reduce
 197 the rate base, nor shall depreciation on such contributed assets
 198 be considered a cost of providing utility service.

199 2. For purposes of such proceedings, the commission shall
 200 consider utility property, including land acquired or facilities
 201 constructed or to be constructed within a reasonable time in the
 202 future, not to exceed 24 months after the end of the historic
 203 base year used to set final rates unless a longer period is
 204 approved by the commission, to be used and useful in the public
 205 service, if:

- 206 a. Such property is needed to serve current customers;
- 207 b. Such property is needed to serve customers 5 years
- 208 after the end of the test year used in the commission's final
- 209 order on a rate request as provided in subsection (6) at a



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210 growth rate for equivalent residential connections not to exceed
 211 5 percent per year; or

212 c. Such property is needed to serve customers more than 5
 213 full years after the end of the test year used in the
 214 commission's final order on a rate request as provided in
 215 subsection (6) only to the extent that the utility presents
 216 clear and convincing evidence to justify such consideration.

217
 218 Notwithstanding the provisions of this paragraph, the commission
 219 shall approve rates for service which allow a utility to recover
 220 from customers the full amount of environmental compliance
 221 costs. Such rates may not include charges for allowances for
 222 funds prudently invested or similar charges. For purposes of
 223 this requirement, the term "environmental compliance costs"
 224 includes all reasonable expenses and fair return on any prudent
 225 investment incurred by a utility in complying with the
 226 requirements or conditions contained in any permitting,
 227 enforcement, or similar decisions of the United States
 228 Environmental Protection Agency, the Department of Environmental
 229 Protection, a water management district, or any other
 230 governmental entity with similar regulatory jurisdiction.

231 (b) In establishing initial rates for a utility, the
 232 commission may project the financial and operational data as set
 233 out in paragraph (a) to a point in time when the utility is
 234 expected to be operating at a reasonable level of capacity.

235 Section 4. Subsection (1) of section 367.0814, Florida
 236 Statutes, is amended to read:

237 367.0814 Staff assistance in changing rates and charges;
 238 interim rates.--



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239 (1) The commission may establish rules by which a water or
240 wastewater utility whose gross annual revenues are \$200,000
241 ~~\$150,000~~ or less may request and obtain staff assistance for the
242 purpose of changing its rates and charges. A utility may request
243 staff assistance by filing an application with the commission.

244 Section 5. Section 367.0818, Florida Statutes, is created
245 to read:

246 367.0818 Conservation or drought rates.--The commission
247 may, during any proceeding for a change in rates, upon its own
248 motion, upon a petition from any party, or by a tariff filing,
249 establish conservation or drought rates designed to promote more
250 efficient use of water and provide an economic incentive for
251 consumers to limit water use. The commission shall have the
252 authority to stabilize the revenues that are generated by
253 conservation or drought rates.

254 Section 6. Paragraph (a) of subsection (4) of section
255 373.016, Florida Statutes, is amended to read:

256 373.016 Declaration of policy.--

257 (4)(a) Because water constitutes a public resource
258 benefiting the entire state, it is the policy of the Legislature
259 that the waters in the state be managed on a state and regional
260 basis. Consistent with this directive, the Legislature
261 recognizes the need to allocate water throughout the state so as
262 to meet all reasonable-beneficial uses. However, the Legislature
263 acknowledges that such allocations have in the past adversely
264 affected the water resources of certain areas in this state. To
265 protect such water resources and to meet the current and future
266 needs of those areas with abundant water, the Legislature
267 directs the department and the water management districts to
268 encourage the use of water from sources nearest the area of use



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269 or application whenever practicable. Such sources shall include
 270 all naturally occurring water sources and all alternative water
 271 sources, including, but not limited to, desalination,
 272 conservation, reuse of nonpotable reclaimed water and
 273 stormwater, and aquifer storage and recovery. Reuse of potable
 274 reclaimed water and stormwater shall not be subject to the
 275 evaluation described in s. 373.223(4)~~(3)~~(a)-(g). However, this
 276 directive to encourage the use of water, whenever practicable,
 277 from sources nearest the area of use or application shall not
 278 apply to the transport and direct and indirect use of water
 279 within the area encompassed by the Central and Southern Florida
 280 Flood Control Project, nor shall it apply anywhere in the state
 281 to the transport and use of water supplied exclusively for
 282 bottled water as defined in s. 500.03(1)(d), nor shall it apply
 283 to the transport and use of reclaimed water for electrical power
 284 production by an electric utility as defined in section
 285 366.02(2).

286 Section 7. Paragraphs (a) and (f) of subsection (2) of
 287 section 373.0361, Florida Statutes, are amended to read:

288 373.0361 Regional water supply planning.--

289 (2) Each regional water supply plan shall be based on at
 290 least a 20-year planning period and shall include, but not be
 291 limited to:

292 (a) A water supply development component that includes:

293 1. A quantification of the water supply needs for all
 294 existing and reasonably projected future uses within the
 295 planning horizon. The level-of-certainty planning goal
 296 associated with identifying the water supply needs of existing
 297 and future reasonable-beneficial uses shall be based upon
 298 meeting those needs for a 1-in-10-year drought event.



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299 2. A list of water source options for water supply
300 development, including traditional and alternative sources and
301 conservation measures, from which local government, government-
302 owned and privately owned utilities, self-suppliers, and others
303 may choose, which will exceed the needs identified in
304 subparagraph 1.

305 3. For each option listed in subparagraph 2., the
306 estimated amount of water available for use and the estimated
307 costs of and potential sources of funding for water supply
308 development.

309 4. A list of water supply development projects that meet
310 the criteria in s. 373.0831(4).

311 (f) The technical data, modeling tools, and information
312 applicable to the planning region which are contained in the
313 district water management plan and are necessary to support the
314 regional water supply plan, which data, modeling tools, and
315 information must be reviewed by a technical committee comprised
316 of, at a minimum, members appointed from each appropriate county
317 local planning agency or local planning agency staff, each
318 appropriate regional planning council, and each appropriate
319 water supply authority. Upon review, a recommendation shall be
320 made by the committee as to whether the data, tools, and
321 information are the best available to serve as the basis of the
322 district water management plan and are necessary to support the
323 regional water supply plan and the local government plans
324 developed pursuant to s. 163.3177.

325 Section 8. Subsection (3) of section 373.0831, Florida
326 Statutes, is amended to read:

327 373.0831 Water resource development; water supply
328 development.--



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329 (3) The water management districts shall fund and
330 implement water resource development as defined in s. 373.019.
331 Each governing board shall include in its annual budget the
332 amount needed for the fiscal year to implement water resource
333 development projects, as prioritized in its regional water
334 supply plans. When submitting its annual budget to the
335 Executive Office of the Governor for review under s. 373.536,
336 the governing board shall explain how each water resource
337 development project will produce additional water available for
338 consumptive uses and estimate the quantity of water to be
339 produced.

340 Section 9. Section 373.186, Florida Statutes, is created
341 to read:

342 373.186 Landscape irrigation design.--

343 (1) The Legislature finds that multiple areas throughout
344 the state have been identified by water management districts as
345 water resource caution areas, which indicates that water demand
346 in those areas will, in the near future, exceed the current
347 available water supply, and that conservation is one of the
348 mechanisms by which future water demand will be met.

349 (2) The Legislature finds that landscape irrigation
350 comprises a significant portion of water use and the current
351 typical landscape irrigation system designs offer significant
352 potential water conservation benefits.

353 (3) It is the intent of the Legislature to improve
354 landscape irrigation water use efficiency by ensuring landscape
355 irrigation systems meet or exceed minimum design criteria.

356 (4) All local governments are encouraged to develop and
357 adopt landscape irrigation design standards for new construction
358 that incorporates a landscape irrigation system. Such standards



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359 should promote effective and efficient use of irrigation water
 360 and include a consideration of local demographic, hydrologic,
 361 and other considerations as they apply to landscape irrigation
 362 water use.

363 Section 10. Section 373.190, Florida Statutes, is created
 364 to read:

365 373.190 Metering.--Individual water meters shall be
 366 required for each separate occupancy unit of new commercial
 367 establishments; residential buildings; condominiums, including
 368 resort condominiums and timeshares; cooperatives; marinas; and
 369 trailer, mobile home, and recreational vehicle parks for which
 370 construction is commenced after July 1, 2003. This requirement
 371 shall apply regardless of whether the facility is engaged in a
 372 timesharing plan. Individual water meters shall not be required:

373 (1) In those portions of a commercial establishment where
 374 the floor space dimensions or physical configuration of the
 375 units are subject to alteration as evidenced by nonstructural
 376 element partition walls, unless the utility determines that
 377 adequate provisions can be made to modify the metering to
 378 accurately reflect such alterations.

379 (2) For water used in specialized-use housing such as
 380 hospitals, nursing homes, living facilities located on the same
 381 premises as and operated in conjunction with a nursing home or
 382 other health care facility providing at least the same level and
 383 types of service as a nursing home, convalescent homes,
 384 facilities certified under chapter 651, college dormitories,
 385 convents, sorority houses, fraternity houses, motels, hotels,
 386 and similar facilities.

387 (3) For separate specifically designated areas for
 388 overnight occupancy at trailer, mobile home, and recreational



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389 vehicle parks where permanent residency is not established and
390 for marinas where living on board is prohibited by ordinance,
391 deed restriction, or other permanent means.

392 Section 11. Subsection (2) of section 373.1961, Florida
393 Statutes, is amended to read:

394 373.1961 Water production.--

395 (2) The Legislature finds that, due to a combination of
396 factors, vastly increased demands have been placed on natural
397 supplies of fresh water, and that, absent increased development
398 of alternative water supplies, such demands may increase in the
399 future. The Legislature also finds that potential exists in the
400 state for the production of significant quantities of
401 alternative water supplies, including reclaimed water, and that
402 water production includes the development of alternative water
403 supplies, including reclaimed water, for appropriate uses. It is
404 the intent of the Legislature that utilities develop reclaimed
405 water systems, where reclaimed water is the most appropriate
406 alternative water supply option, to deliver reclaimed water to
407 as many users as possible through the most cost-effective means,
408 and to construct reclaimed water system infrastructure to their
409 owned or operated properties and facilities where they have
410 reclamation capability. It is also the intent of the Legislature
411 that the water management districts which levy ad valorem taxes
412 for water management purposes should share a percentage of those
413 tax revenues with water providers and users, including local
414 governments, water, wastewater, and reuse utilities, municipal,
415 industrial, and agricultural water users, and other public and
416 private water users, to be used to supplement other funding
417 sources in the development of alternative water supplies. The
418 Legislature finds that public moneys or services provided to



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419 private entities for such uses constitute public purposes which
 420 are in the public interest. In order to further the development
 421 and use of alternative water supply systems, including reclaimed
 422 water systems, the Legislature provides the following:

423 (a) The governing boards of the water management districts
 424 where water resource caution areas have been designated shall
 425 include in their annual budgets an amount for the development of
 426 alternative water supply systems, including reclaimed water
 427 systems, pursuant to the requirements of this subsection. Annual
 428 funding amounts for the St. Johns River, South Florida, and
 429 Southwest Florida Water Management Districts shall be at least
 430 \$20 million. Funding for alternative water supply systems in the
 431 Northwest Florida Water Management District shall be
 432 administered by the department using annual state
 433 appropriations. Beginning in 1996, such amounts shall be made
 434 available to water providers and users no later than December 31
 435 of each year, through grants, matching grants, revolving loans,
 436 or the use of district lands or facilities pursuant to the
 437 requirements of this subsection and guidelines established by
 438 the districts. In making grants or loans, funding priority
 439 shall be given to projects located within water resource caution
 440 areas, projects consistent with regional water supply plans, and
 441 projects featuring efficient and effective use of reclaimed
 442 water.

443 (b) It is the intent of the Legislature that for each
 444 reclaimed water utility, or any other utility, which receives
 445 funds pursuant to this subsection, the appropriate rate-setting
 446 authorities should develop rate structures for all water,
 447 wastewater, and reclaimed water and other alternative water



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448 supply utilities in the service area of the funded utility,
 449 which accomplish the following:

450 1. Provide meaningful progress toward the development and
 451 implementation of alternative water supply systems, including
 452 reclaimed water systems;

453 2. Promote the conservation of fresh water withdrawn from
 454 natural systems;

455 3. Provide for an appropriate distribution of costs for
 456 all water, wastewater, and alternative water supply utilities,
 457 including reclaimed water utilities, among all of the users of
 458 those utilities; and

459 4. Prohibit rate discrimination within classes of utility
 460 users.

461 (c) Funding assistance provided by the water management
 462 districts for water reuse systems shall include grant or loan
 463 conditions that require the following:

464 1. Metering of reclaimed water use for the following
 465 activities: residential irrigation, agricultural irrigation,
 466 industrial uses, golf course irrigation, landscape irrigation,
 467 irrigation of other public access areas, commercial and
 468 institutional uses such as toilet flushing, and transfers to
 469 other reclaimed water utilities.

470 2. Implementation of reclaimed water rate structures based
 471 on actual use of reclaimed water for the types of reuse
 472 activities listed in subparagraph 1.

473 3. Implementation of education programs to inform the
 474 public about water issues, water conservation, and the
 475 importance and proper use of reclaimed water.

476 4. Development of global positioning satellite location
 477 data for key reuse facilities.



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478 (d)~~(e)~~ In order to be eligible for funding pursuant to
479 this subsection, a project must be consistent with a local
480 government comprehensive plan and the governing body of the
481 local government must require all appropriate new facilities
482 within the project's service area to connect to and use the
483 project's alternative water supplies. The appropriate local
484 government must provide written notification to the appropriate
485 district that the proposed project is consistent with the local
486 government comprehensive plan.

487 (e)~~(d)~~ Any and all revenues disbursed pursuant to this
488 subsection shall be applied only for the payment of capital or
489 infrastructure costs for the construction of alternative water
490 supply systems that provide alternative water supplies.

491 (f)~~(e)~~ By January 1 of each year, the governing boards
492 shall make available written guidelines for the disbursement of
493 revenues pursuant to this subsection. Such guidelines shall
494 include at minimum:

- 495 1. An application process and a deadline for filing
496 applications annually.
- 497 2. A process for determining project eligibility pursuant
498 to the requirements of paragraphs (d)~~(e)~~ and (e)~~(d)~~.
- 499 3. A process and criteria for funding projects pursuant to
500 this subsection that cross district boundaries or that serve
501 more than one district.

502 (g)~~(f)~~ The governing board of each water management
503 district shall establish an alternative water supplies grants
504 advisory committee to recommend to the governing board projects
505 for funding pursuant to this subsection. The advisory committee
506 members shall include, but not be limited to, one or more
507 representatives of county, municipal, and investor-owned private



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508 utilities, and may include, but not be limited to,
509 representatives of agricultural interests and environmental
510 interests. Each committee member shall represent his or her
511 interest group as a whole and shall not represent any specific
512 entity. The committee shall apply the guidelines and project
513 eligibility criteria established by the governing board in
514 reviewing proposed projects. After one or more hearings to
515 solicit public input on eligible projects, the committee shall
516 rank the eligible projects and shall submit them to the
517 governing board for final funding approval. The advisory
518 committee may submit to the governing board more projects than
519 the available grant money would fund.

520 (h)~~(g)~~ All revenues made available annually pursuant to
521 this subsection must be encumbered annually by the governing
522 board if it approves projects sufficient to expend the available
523 revenues. Funds must be disbursed within 36 months after
524 encumbrance.

525 (i)~~(h)~~ For purposes of this subsection, alternative water
526 supplies are supplies of water that have been reclaimed after
527 one or more public supply, municipal, industrial, commercial, or
528 agricultural uses, or are supplies of stormwater, or brackish or
529 salt water, that have been treated in accordance with applicable
530 rules and standards sufficient to supply the intended use.

531 (j)~~(i)~~ This subsection shall not be subject to the
532 rulemaking requirements of chapter 120.

533 (k)~~(j)~~ By January 30 of each year, each water management
534 district shall submit an annual report to the Governor, the
535 President of the Senate, and the Speaker of the House of
536 Representatives which accounts for the disbursement of all budgeted
537 amounts pursuant to this subsection. Such report shall describe



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538 all projects funded and shall account separately for moneys
539 provided through grants, matching grants, revolving loans, and
540 the use of district lands or facilities.

541 (1)~~(k)~~ The Florida Public Service Commission shall allow
542 entities under its jurisdiction constructing alternative water
543 supply facilities, including but not limited to aquifer storage
544 and recovery wells, to recover the full, prudently incurred cost
545 of such facilities through their rate structure. Every component
546 of an alternative water supply facility constructed by an
547 investor-owned utility shall be recovered in current rates.

548 Section 12. Subsection (9) of section 373.1962, Florida
549 Statutes, is amended to read:

550 373.1962 Regional water supply authorities.--

551 (9) Where a water supply authority exists pursuant to this
552 section or s. 373.1963 under a voluntary interlocal agreement
553 that is consistent with requirements in s. 373.1963(1)(b) and
554 receives or maintains consumptive use permits under this
555 voluntary agreement consistent with the water supply plan, if
556 any, adopted by the governing board, such authority shall be
557 exempt from consideration by the governing board or department
558 of the factors specified in s. 373.223(4)~~(3)~~(a)-(g) and the
559 submissions required by s. 373.229(3). Such exemptions shall
560 apply only to water sources within the jurisdictional areas of
561 such voluntary water supply interlocal agreements.

562 Section 13. Subsection (2) of section 373.217, Florida
563 Statutes, is amended to read:

564 373.217 Superseded laws and regulations.--

565 (2) It is the further intent of the Legislature that Part
566 II of the Florida Water Resources Act of 1972, as amended, as
567 set forth in ss. 373.203-373.249, shall provide the exclusive



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568 authority for requiring permits for the consumptive use of water
 569 and for authorizing transportation thereof pursuant to s.
 570 373.223 (3) ~~(2)~~.

571 Section 14. Subsection (1) of section 373.219, Florida
 572 Statutes, is amended to read:

573 373.219 Permits required.--

574 (1) The governing board or the department may require such
 575 permits for consumptive use of water and may impose such
 576 reasonable conditions as are necessary to assure that such use
 577 is consistent with the overall objectives of the district or
 578 department and is not harmful to the water resources of the
 579 area. However, no permit shall be required for domestic
 580 consumption of water by individual users or consumption or use
 581 of domestic wastewater effluent subject to review under s.
 582 403.064.

583 Section 15. Section 373.223, Florida Statutes, is amended
 584 to read:

585 373.223 Conditions for a permit.--

586 (1) To obtain a permit pursuant to the provisions of this
 587 chapter, the applicant must establish that the proposed use of
 588 water:

589 (a) Is a reasonable-beneficial use as defined in s.
 590 373.019;

591 (b) Will not interfere with any presently existing legal
 592 use of water; and

593 (c) Is consistent with the public interest.

594 (2) A proposed use of water by a water utility shall be
 595 deemed not to be a reasonable-beneficial use unless:

596 (a) The utility develops and formally adopts water
 597 conservation rates or demonstrates either that specific



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598 circumstances warrant a delay in implementing such rates or that
599 an alternative rate structure will promote appropriate water use
600 efficiency.

601 (b) The utility has developed and formally adopted drought
602 rates.

603 (c) The utility implements informative billing. Utility
604 bills shall be issued on a monthly basis unless the utility
605 demonstrates that a longer billing cycle is warranted.
606 Customers' bills shall include the utility's rate structure,
607 monthly rates, and the amount of water used by the customer in
608 the current month, in the previous month, and in the
609 corresponding month of the previous year. Customers' bills may
610 include the average usage of all customers in that same customer
611 class, seasonal rates and applicable months, drought rates,
612 information on conserving water, or other information as deemed
613 appropriate by the utility. If the public service commission or
614 local government with rate-setting authority find that it is
615 cost-prohibitive for a utility to implement monthly informative
616 billing, the utility shall provide informative billing
617 information to each customer on an annual basis. The annual
618 notice shall include the utility's rate structure, rates, and a
619 sample bill calculation and may include additional billing
620 information as deemed appropriate by the utility. All utilities
621 shall provide either monthly or annual informative billing
622 information as provided in this paragraph by July 1, 2007. The
623 water management districts shall adopt rules to implement this
624 requirement.

625 (3)-(2) The governing board or the department may authorize
626 the holder of a use permit to transport and use ground or
627 surface water beyond overlying land, across county boundaries,



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628 or outside the watershed from which it is taken if the governing
 629 board or department determines that such transport and use is
 630 consistent with the public interest, and no local government
 631 shall adopt or enforce any law, ordinance, rule, regulation, or
 632 order to the contrary.

633 (4)~~(3)~~ Except for the transport and use of water supplied
 634 by the Central and Southern Florida Flood Control Project, and
 635 anywhere in the state when the transport and use of water is
 636 supplied exclusively for bottled water as defined in s.
 637 500.03(1)(d), any water use permit applications pending as of
 638 April 1, 1998, with the Northwest Florida Water Management
 639 District and self-suppliers of water for which the proposed
 640 water source and area of use or application are located on
 641 contiguous private properties, when evaluating whether a
 642 potential transport and use of ground or surface water across
 643 county boundaries is consistent with the public interest,
 644 pursuant to paragraph (1)(c), the governing board or department
 645 shall consider:

646 (a) The proximity of the proposed water source to the area
 647 of use or application.

648 (b) All impoundments, streams, groundwater sources, or
 649 watercourses that are geographically closer to the area of use
 650 or application than the proposed source, and that are
 651 technically and economically feasible for the proposed transport
 652 and use.

653 (c) All economically and technically feasible alternatives
 654 to the proposed source, including, but not limited to,
 655 desalination, conservation, reuse of nonpotable reclaimed water
 656 and stormwater, and aquifer storage and recovery.



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657 (d) The potential environmental impacts that may result
658 from the transport and use of water from the proposed source,
659 and the potential environmental impacts that may result from use
660 of the other water sources identified in paragraphs (b) and (c).

661 (e) Whether existing and reasonably anticipated sources of
662 water and conservation efforts are adequate to supply water for
663 existing legal uses and reasonably anticipated future needs of
664 the water supply planning region in which the proposed water
665 source is located.

666 (f) Consultations with local governments affected by the
667 proposed transport and use.

668 (g) The value of the existing capital investment in water-
669 related infrastructure made by the applicant.

670

671 Where districtwide water supply assessments and regional water
672 supply plans have been prepared pursuant to ss. 373.036 and
673 373.0361, the governing board or the department shall use the
674 applicable plans and assessments as the basis for its
675 consideration of the applicable factors in this subsection.

676 ~~(5)~~(4) The governing board or the department, by
677 regulation, may reserve from use by permit applicants, water in
678 such locations and quantities, and for such seasons of the year,
679 as in its judgment may be required for the protection of fish
680 and wildlife or the public health and safety. Such reservations
681 shall be subject to periodic review and revision in the light of
682 changed conditions. However, all presently existing legal uses
683 of water shall be protected so long as such use is not contrary
684 to the public interest.

685 (6) Water use rights granted under a permit for the
686 consumptive use of water shall not be sold.



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687 Section 16. Section 373.2231, Florida Statutes, is created
 688 to read:

689 373.2231 Impact of proposed water use.--In order to ensure
 690 that adequate water supply will be available for existing legal
 691 uses and reasonably projected future demands without increasing
 692 harm to water resources and related natural systems, the
 693 district shall consider the potential cumulative impact of any
 694 proposed use of water in light of reasonably anticipated future
 695 uses based upon the projected demands contained in the
 696 applicable regional water supply plan developed pursuant to s.
 697 373.0361.

698 Section 17. Subsection (3) of section 373.229, Florida
 699 Statutes, is amended to read:

700 373.229 Application for permit.--

701 (3) In addition to the information required in subsection
 702 (1), all permit applications filed with the governing board or
 703 the department which propose the transport and use of water
 704 across county boundaries shall include information pertaining to
 705 factors to be considered, pursuant to s. 373.223(4)~~(3)~~, unless
 706 exempt under s. 373.1962(9).

707 Section 18. Subsection (4) is added to section 373.236,
 708 Florida Statutes, to read:

709 373.236 Duration of permits; compliance reports.--

710 (3) Where necessary to maintain reasonable assurance that
 711 the conditions for issuance of a 20-year permit can continue to
 712 be met, the governing board or department, in addition to any
 713 conditions required pursuant to s. 373.219, may require a
 714 compliance report by the permittee every 5 years during the term
 715 of a permit. This report shall contain sufficient data to
 716 maintain reasonable assurance that the initial conditions for



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717 permit issuance are met. Following review of this report, the
 718 governing board or the department may modify the permit to
 719 ensure that the use meets the conditions for issuance. Permit
 720 modifications pursuant to this subsection shall not be subject
 721 to competing applications, provided there is no increase in the
 722 permitted allocation or permit duration, and no change in
 723 source, except for changes in source requested by the district.
 724 This subsection shall not be construed to limit the existing
 725 authority of the department or the governing board to modify or
 726 revoke a consumptive use permit.

727 (4) The department or the water management district shall
 728 adopt rules for the issuance of longer duration permits to
 729 applicants who implement and provide reasonable assurances of
 730 effective and efficient conservation measures that exceed the
 731 average for the industry or type of water use and for which
 732 there is sufficient data to provide reasonable assurance that
 733 the conditions for permit issuance will be met for the duration
 734 of the permit. Permits issued pursuant to this subsection shall
 735 be subject to the provisions of subsection (3).

736 Section 19. Section 373.4271, Florida Statutes, is created
 737 to read:

738 373.4271 Concurrent review of consumptive use permit and
 739 environmental resource permit applications.--The department, in
 740 consultation with the water management districts, shall adopt
 741 rules requiring concurrent application submittal and
 742 establishing concurrent review of a consumptive use permit
 743 application and an environmental resource permit application for
 744 those environmental resource permit applications where a new
 745 consumptive use of water may be required. Rules adopted pursuant
 746 to this section shall also provide an exemption for applicants



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747 who can demonstrate that meeting this requirement would create
748 an economic hardship.

749 Section 20. Subsection (1) of section 378.212, Florida
750 Statutes, is amended to read:

751 378.212 Variances.--

752 (1) Upon application, the secretary may grant a variance
753 from the provisions of this part, part IV, and part IV of
754 chapter 373 or the rules adopted pursuant thereto. Variances and
755 renewals thereof may be granted for any one of the following
756 reasons:

757 (a) There is no practicable means known or available to
758 comply with the provisions of this part or the rules adopted
759 pursuant thereto.

760 (b) Compliance with a particular requirement or
761 requirements from which a variance is sought will necessitate
762 the taking of measures which must be spread over a considerable
763 period of time. A variance granted for this reason shall
764 prescribe a timetable for the taking of the measures required.

765 (c) To relieve or prevent hardship, including economic
766 hardship, of a kind other than those provided for in paragraphs
767 (a) and (b).

768 (d) To accommodate specific phosphate mining, processing
769 or chemical plant uses that otherwise would be inconsistent with
770 the requirements of this part.

771 (e) To provide for an experimental technique that would
772 advance the knowledge of reclamation and restoration methods.

773 (f) To accommodate projects, including those proposing
774 offsite mitigation, that provide a significant regional benefit
775 for wildlife and the environment.



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776 (g) To accommodate reclamation that provides water supply
777 development or water resource development consistent with the
778 applicable regional water supply plan approved pursuant to s.
779 373.0361, provided regional water resources are not adversely
780 affected.

781 Section 21. Subsection (16) is added to section 403.064,
782 Florida Statutes, to read:

783 403.064 Reuse of reclaimed water.--

784 (16) Utilities implementing reuse projects are encouraged
785 to meter use of reclaimed water by all end users and to charge
786 for the use of reclaimed water based on the actual volume used.
787 Metering and the use of volume-based rates are effective water
788 management tools for the following reuse activities: residential
789 irrigation, agricultural irrigation, industrial uses, golf
790 course irrigation, landscape irrigation, irrigation of other
791 public access areas, commercial and institutional uses such as
792 toilet flushing, and transfers to other reclaimed water
793 utilities. Beginning with the submittal due on January 1, 2004,
794 each domestic wastewater utility that provides reclaimed water
795 for the reuse activities listed in this section shall include a
796 summary of its metering and rate structure as part of its annual
797 reuse report to the department. By January 1, 2006, each
798 domestic wastewater utility that provides reclaimed water for
799 the reuse activities listed in this section shall prepare a plan
800 that presents its planned activities and an implementation
801 schedule for metering and the use of volume-based rate
802 structures for reclaimed water use. These plans shall be
803 reviewed and approved by the department.

804 Section 22. Section 403.0645, Florida Statutes, is created
805 to read:



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806 403.0645 Reclaimed water use at state facilities.--

807 (1) The encouragement and promotion of reuse of reclaimed
808 water has been established as a state objective in ss. 373.250
809 and 403.064. Reuse has become an integral part of water and
810 wastewater management in Florida, and Florida is recognized as a
811 national leader in water reuse.

812 (2) The state and various state agencies and water
813 management districts should take a leadership role in using
814 reclaimed water in lieu of other water sources. Use of reclaimed
815 water by state agencies and facilities will conserve potable
816 water and will serve an important public education function.

817 (3) All state agencies and water management districts are
818 directed to use reclaimed water to the greatest extent
819 practicable for landscape irrigation, toilet flushing, aesthetic
820 features such as decorative ponds and fountains, cooling water,
821 and other useful purposes allowed by department rules at state
822 facilities, including, but not limited to, parks, rest areas,
823 visitor welcome centers, buildings, college campuses, and other
824 facilities.

825 (4) Each state agency and water management district shall
826 submit to the Secretary of Environmental Protection by February
827 1 of each year a summary of activities designed to utilize
828 reclaimed water at its facilities along with a summary of the
829 amounts of reclaimed water actually used for beneficial
830 purposes.

831 Section 23. Subsection (12) is added to section 403.1835,
832 Florida Statutes, to read:

833 403.1835 Water pollution control financial assistance.--

834 (12)(a) It is the intent of the Legislature that for each
835 reclaimed water utility or any other utility which receives



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836 funds pursuant to this subsection, the appropriate rate-setting
837 authorities should develop rate structures for all water,
838 wastewater, and reclaimed water and other alternative water
839 supply utilities in the service area of the funded utility which
840 accomplish the following:

841 1. Provide meaningful progress toward the development and
842 implementation of alternative water supply systems, including
843 reclaimed water systems.

844 2. Promote the conservation of fresh water withdrawn from
845 natural systems.

846 3. Provide for an appropriate distribution of costs for
847 all water, wastewater, and alternative water supply utilities,
848 including reclaimed water utilities, among all of the users of
849 those utilities.

850 4. Prohibit rate discrimination within classes of utility
851 users.

852 (b) Funding assistance provided for water reuse systems
853 shall include loan conditions that require the following:

854 1. Metering of reclaimed water use for the following
855 activities: residential irrigation, agricultural irrigation,
856 industrial uses, golf course irrigation, landscape irrigation,
857 irrigation of other public access areas, and commercial uses.

858 2. Implementation of reclaimed water rate structures based
859 on actual use of reclaimed water for the reuse types listed in
860 subparagraph 1.

861 3. Implementation of education programs to inform the
862 public about water issues, water conservation, and the
863 importance and proper use of reclaimed water.

864 Section 24. This act shall take effect upon becoming a
865 law.