



CHAMBER ACTION

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The Committee on Natural Resources recommends the following:

Committee Substitute

Remove the entire bill and insert:

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. 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. 373.227, F.S.; providing legislative findings; providing for a water conservation guidance manual; providing applicability; amending s. 373.0361, F.S.; providing for a public workshop on the development of regional water supply plans that include the consideration of population projections; providing for a list of water source options in regional water supply plans; including conservation measures in regional water supply plans; amending s. 373.0421, F.S.; allowing for limited transfer of water; providing conditions therefor; amending s.



29 | 373.1961, F.S.; providing funding priority; providing
30 | conditions for certain projects to receive funding
31 | assistance; amending s. 373.1963, F.S.; providing for
32 | development of groundwater by regional water supply
33 | authorities and providing for approval thereof; amending
34 | s. 373.223, F.S.; prohibiting the sale of rights for
35 | consumptive use water except under certain circumstances;
36 | creating s. 373.2231, F.S.; providing for a Peace River
37 | comprehensive study; creating s. 373.2234, F.S.; providing
38 | for preferred water supply sources; amending s. 373.250,
39 | F.S.; providing for the use of reclaimed water; amending
40 | s. 373.536, F.S.; requiring the governing board of a water
41 | control district to include certain information in its
42 | annual budget request; providing legislative findings and
43 | intent with regard to landscape irrigation design;
44 | requiring water management districts to develop landscape
45 | irrigation and xeriscape design standards; providing for
46 | individual water meters in certain establishments;
47 | providing exceptions; amending s. 378.212, F.S.; allowing
48 | a variance from pts. III and IV of ch. 378, F.S., to
49 | accommodate reclamation; amending s. 378.404, F.S.;
50 | allowing variances for water supply development; amending
51 | s. 403.064, F.S.; revising provisions relating to reuse
52 | feasibility studies; providing for metering use of
53 | reclaimed water and volume-based rates therefor; requiring
54 | wastewater utilities to submit plans for metering use and
55 | volume-based rate structures to the department; creating
56 | s. 403.0645, F.S.; providing for reclaimed water use at



57 | state facilities; requiring reports; amending s. 403.1835,
 58 | F.S.; providing for development of rate structures for
 59 | alternative water supply systems; providing criteria;
 60 | amending s. 403.1837, F.S.; deleting certain restrictions
 61 | on the issuance of bonds by the Florida Water Pollution
 62 | Control Financing Corporation; providing an effective
 63 | date.

64 |
 65 | Be It Enacted by the Legislature of the State of Florida:

66 |
 67 | Section 1. Subsection (13) is added to section 163.3167,
 68 | Florida Statutes, to read:

69 | 163.3167 Scope of act.--

70 | (13) Each local government shall address in its
 71 | comprehensive plan, as enumerated in this chapter, the water
 72 | supply projects and sources necessary to meet and achieve the
 73 | existing and projected water use demand for the established
 74 | planning period, considering the applicable plan developed
 75 | pursuant to s. 373.0361.

76 | Section 2. Subsection (2) of section 367.081, Florida
 77 | Statutes, is amended to read:

78 | 367.081 Rates; procedure for fixing and changing.--

79 | (2)(a)1. The commission shall, either upon request or upon
 80 | its own motion, fix rates which are just, reasonable,
 81 | compensatory, and not unfairly discriminatory. In every such
 82 | proceeding, the commission shall consider the value and quality
 83 | of the service and the cost of providing the service, which
 84 | shall include, but not be limited to, debt interest; the



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85 requirements of the utility for working capital; maintenance,
86 depreciation, tax, and operating expenses incurred in the
87 operation of all property used and useful in the public service;
88 and a fair return on the investment of the utility in property
89 used and useful in the public service. Pursuant to s.
90 373.1961(2)(1), the commission shall allow recovery of the full,
91 prudently incurred costs of alternative water supply facilities.
92 However, the commission shall not allow the inclusion of
93 contributions-in-aid-of-construction in the rate base of any
94 utility during a rate proceeding, nor shall the commission
95 impute prospective future contributions-in-aid-of-construction
96 against the utility's investment in property used and useful in
97 the public service; and accumulated depreciation on such
98 contributions-in-aid-of-construction shall not be used to reduce
99 the rate base, nor shall depreciation on such contributed assets
100 be considered a cost of providing utility service.

101 2. For purposes of such proceedings, the commission shall
102 consider utility property, including land acquired or facilities
103 constructed or to be constructed within a reasonable time in the
104 future, not to exceed 24 months after the end of the historic
105 base year used to set final rates unless a longer period is
106 approved by the commission, to be used and useful in the public
107 service, if:

108 a. Such property is needed to serve current customers;

109 b. Such property is needed to serve customers 5 years
110 after the end of the test year used in the commission's final
111 order on a rate request as provided in subsection (6) at a



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112 growth rate for equivalent residential connections not to exceed
113 5 percent per year; or

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

119

120 Notwithstanding the provisions of this paragraph, the commission
121 shall approve rates for service which allow a utility to recover
122 from customers the full amount of environmental compliance
123 costs. Such rates may not include charges for allowances for
124 funds prudently invested or similar charges. For purposes of
125 this requirement, the term "environmental compliance costs"
126 includes all reasonable expenses and fair return on any prudent
127 investment incurred by a utility in complying with the
128 requirements or conditions contained in any permitting,
129 enforcement, or similar decisions of the United States
130 Environmental Protection Agency, the Department of Environmental
131 Protection, a water management district, or any other
132 governmental entity with similar regulatory jurisdiction.

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

137 Section 3. Subsection (1) of section 367.0814, Florida
138 Statutes, is amended to read:



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139 367.0814 Staff assistance in changing rates and charges;
140 interim rates.--

141 (1) The commission may establish rules by which a water or
142 wastewater utility whose gross annual revenues are \$200,000
143 ~~\$150,000~~ or less may request and obtain staff assistance for the
144 purpose of changing its rates and charges. A utility may request
145 staff assistance by filing an application with the commission.

146 Section 4. Section 373.227, Florida Statutes, is created
147 to read:

148 373.227 Water conservation guidance manual.--

149 (1) The Legislature recognizes that the proper conservation
150 of water is an important means of achieving the economical and
151 efficient utilization of water necessary to constitute a
152 reasonable-beneficial use. The Legislature encourages the
153 development and use of water conservation measures that are
154 effective, flexible, and affordable. In the context of the use
155 of water for public supply provided by a water utility, the
156 Legislature intends for a variety of conservation measures to be
157 available and used to encourage efficient water use. The
158 Legislature finds that the social, economic, and cultural
159 conditions of this state relating to the use of public water
160 supply vary by geographic region, and thus water utilities must
161 have the flexibility to tailor water conservation measures to
162 best suit their individual circumstances. For purposes of this
163 section, the term "public water supply facility" shall include
164 both publicly owned and privately owned public water supply
165 utilities.



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166 (2) In order to implement the findings in subsection (1),
167 the Department of Environmental Protection shall develop a water
168 conservation guidance manual containing a menu of water
169 conservation measures from which public water supply utilities
170 may select in the development of a comprehensive, goal-based
171 water conservation program tailored for their individual service
172 areas that is effective and does not impose undue costs or
173 burdens on customers. The water conservation guidance manual
174 shall promote statewide consistency in the approach to utility
175 conservation while maintaining appropriate flexibility. The
176 manual may contain measures such as: water conservation audits,
177 informative billing practices to educate customers on their
178 patterns of water use, the costs of water, and ways to conserve
179 water; ordinances requiring low-flow plumbing fixtures and
180 efficient landscape irrigation; rebate programs for the
181 installation of water-saving plumbing or appliances; general
182 water conservation educational programs including bill inserts;
183 measures to promote the more effective and efficient reuse of
184 reclaimed water; water conservation or drought rate structures
185 that encourage customers to conserve water through appropriate
186 price signals; and programs to apply utility profits generated
187 through conservation and drought rates to additional water
188 conservation programs or water supply development. The manual
189 shall specifically state that it is the responsibility of the
190 appropriate utility to determine the specific rates it will
191 charge its customers and that the role of the department or
192 water management district is confined to the review of those
193 rate structures to determine whether they encourage water



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194 conservation. The water conservation guidance manual shall also
195 state that a utility need not adopt a water conservation or
196 drought rate structure if the utility employs other measures
197 that are equally or more effective. The manual shall provide for
198 different levels of complexity and expected levels of effort in
199 conservation programs depending on the size of the utility.
200 However, all utilities will be expected to have at least basic
201 programs in each of the following areas:

202 (a) Individual metering, to the extent feasible as
203 determined by the utility.

204 (b) Water accounting and loss control.

205 (c) Cost of service accounting and metered rates for
206 water.

207 (d) Information programs on water conservation.

208 (e) Landscaping water efficiency programs.

209 (3) The Department of Environmental Protection shall
210 develop the water conservation guidance manual no later than
211 June 15, 2004. The department shall develop the manual in
212 consultation with interested parties, which, at a minimum, shall
213 include representatives from the water management districts,
214 three utilities that are members of the American Water Works
215 Association, two utilities that are members of the Florida Water
216 Environment Association, a representative of the Florida Chamber
217 of Commerce, representatives of counties and municipalities, and
218 representatives of environmental organizations. By December 15,
219 2004, the department shall adopt the water conservation guidance
220 manual by rule. Once the department adopts the water
221 conservation guidance manual by rule, the water management



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222 districts may apply the manual in the review of water
223 conservation requirements for obtaining a permit pursuant to
224 part II without the need to adopt the manual pursuant to s.
225 120.54. Once the water conservation guidance manual is adopted
226 by rule, a public water supply utility may choose to comply with
227 the standard water conservation requirements adopted by the
228 appropriate water management district for obtaining a
229 consumptive use permit from that district or may choose to
230 develop a comprehensive, goal-based water conservation program
231 from the options contained in the manual. If the utility chooses
232 to design a comprehensive water conservation program based on
233 the water conservation guidance manual, the proposed program
234 must include the following:

235 (a) An inventory of water system characteristics and
236 conservation opportunities.

237 (b) Demand forecasts.

238 (c) An explanation of the proposed program.

239 (d) Specific numeric water conservation targets for the
240 utility as a whole and for appropriate customer classes, with a
241 justification of why the numeric targets are appropriate based
242 on that utility's particular customer characteristics and
243 conservation opportunities.

244 (e) A demonstration that the program will promote
245 effective water conservation at least as well as standard water
246 use conservation requirements adopted by the appropriate water
247 management district.



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248 (f) A timetable for the utility and the water management
249 district to evaluate progress in meeting the water conservation
250 targets and making needed program modifications.

251 (4) If the water management district determines that the
252 proposed conservation program is consistent with the water
253 conservation guidance manual and contains the elements specified
254 in subsection (3), it shall approve the proposed program and
255 shall satisfy water conservation requirements imposed as a
256 condition of obtaining a permit under part II. The department,
257 in consultation with the parties specified in subsection (3),
258 may periodically amend or revise the water conservation guidance
259 manual rule as appropriate to reflect changed circumstances or
260 new technologies or approaches. When the water conservation
261 guidance manual is amended or revised, the water management
262 districts shall approve the amendments or revisions within 6
263 months after the amendments or revisions are made. The findings
264 and provisions in this section shall not be construed to apply
265 to users of water other than public and private water supply
266 utilities.

267 Section 5. Subsection (1), paragraph (a) of subsection
268 (2), and subsections (5) and (6) of section 373.0361, Florida
269 Statutes, are amended, and paragraph (h) is added to subsection
270 (2) of said section, to read:

271 373.0361 Regional water supply planning.--

272 (1) By October 1, 1998, the governing board shall initiate
273 water supply planning for each water supply planning region
274 identified in the district water management plan under s.
275 373.036, where it determines that sources of water are not



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276 adequate for the planning period to supply water for all
277 existing and projected reasonable-beneficial uses and to sustain
278 the water resources and related natural systems. The planning
279 must be conducted in an open public process, in coordination and
280 cooperation with local governments, regional water supply
281 authorities, government-owned and privately owned water
282 utilities, self-suppliers, and other affected and interested
283 parties. During development but prior to completion of the
284 regional water supply plan, the district must conduct at least
285 one public workshop to discuss the technical data and modeling
286 tools anticipated to be used to support the plan. A
287 determination by the governing board that initiation of a
288 regional water supply plan for a specific planning region is not
289 needed pursuant to this section shall be subject to s. 120.569.
290 The governing board shall reevaluate such a determination at
291 least once every 5 years and shall initiate a regional water
292 supply plan, if needed, pursuant to this subsection.

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

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

297 1. A quantification of the water supply needs for all
298 existing and reasonably projected future uses within the
299 planning horizon. The level-of-certainty planning goal
300 associated with identifying the water supply needs of existing
301 and future reasonable-beneficial uses shall be based upon
302 meeting those needs for a 1-in-10-year drought event. Population
303 projections used for determining public water supply needs shall



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304 be based upon the best available data. In determining the best
305 available data, the district shall consider the University of
306 Florida's Bureau of Economic and Business Research (BEBR) medium
307 population projections and any population projection data and
308 analysis submitted by a local government pursuant to the public
309 workshop described in subsection (1) when such data and analysis
310 support the local government's comprehensive plan. Any
311 adjustment of or deviation from the BEBR projections shall be
312 fully described and the original BEBR data shall be presented
313 along with the adjusted data.

314 2. A list of water source options ~~for water supply~~
315 ~~development~~, including traditional and alternative source
316 options ~~sources~~, from which local government, government-owned
317 and privately owned utilities, self-suppliers, and others may
318 choose, for water supply development the total capacity of which
319 will, in conjunction with water conservation and other demand
320 management measures, exceed the needs identified in subparagraph
321 1.

322 3. For each option listed in subparagraph 2., the
323 estimated amount of water available for use and the estimated
324 costs of and potential sources of funding for water supply
325 development.

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

328 (h) An analysis, developed in cooperation with the
329 department, of areas or instances in which the variance
330 provisions of s. 378.212(1)(g) may be used to create water
331 supply development or water resource development projects.



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333 Within the boundaries of a regional water supply authority, the
334 water supply development component of the regional water supply
335 plan shall be developed jointly by such authority and the
336 district.

337 (5) ~~By November 15, 1997, and~~ Annually and in conjunction
338 with the reporting requirements of s. 373.536(6)(a)4.

339 ~~thereafter~~, the department shall submit to the Governor and the
340 Legislature a report on the status of regional water supply
341 planning in each district. The report shall include:

342 (a) A compilation of the estimated costs of and potential
343 sources of funding for water resource development and water
344 supply development projects, as identified in the water
345 management district regional water supply plans.

346 (b) A description of each district's progress toward
347 achieving its water resource development objectives, as directed
348 by s. 373.0831(3), including the district's implementation of
349 its 5-year water resource development work program.

350 (c) An assessment of the overall progress being made to
351 develop a water supply that is consistent with regional water
352 supply plans to meet existing and future reasonable-beneficial
353 needs during a 1-in-10-year drought.

354 (6) Nothing contained in the water supply development
355 component of the district water management plan shall be
356 construed to require local governments, government-owned or
357 privately owned water utilities, self-suppliers, or other water
358 suppliers to select a water supply development option identified
359 in the component merely because it is identified in the plan,



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360 nor may the plan be used in the review of permits under part II
361 unless the plan, or an applicable portion thereof, has been
362 adopted by rule. However, this subsection does not prohibit a
363 water management district from employing the data or other
364 information used to establish the plan in reviewing permits
365 under part II, nor shall it ~~not~~ be construed to limit the
366 authority of the department or governing board under part II.

367 Section 6. Subsection (3) of section 373.0421, Florida
368 Statutes, is renumbered as subsection (4), and a new subsection
369 (3) is added to said section, to read:

370 373.0421 Establishment and implementation of minimum flows
371 and levels.--

372 (3) Notwithstanding s. 373.223(5)(a), as part of a minimum
373 flow and level recovery or prevention strategy, the Southwest
374 Florida Water Management District may adopt rules to provide for
375 the transfer of permitted, previously used quantities of water
376 from one permittee to a new permittee within the Southern Water
377 Use Caution Area under the following conditions:

378 (a) The quantity of water transferred is from a source for
379 which the district will not allow withdrawals of new quantities
380 of water.

381 (b) The transferred withdrawal meets the criteria of part
382 II and is approved by the district.

383 (c) The duration of withdrawal of the transferred quantity
384 of water does not exceed the duration of the permit from which
385 the quantity of water is transferred.

386 Section 7. Subsection (2) of section 373.1961, Florida
387 Statutes, is amended to read:



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388 | 373.1961 Water production.--

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



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415 and use of alternative water supply systems, including reclaimed
416 water systems, the Legislature provides the following:

417 (a) The governing boards of the water management districts
418 where water resource caution areas have been designated shall
419 include in their annual budgets an amount for the development of
420 alternative water supply systems, including reclaimed water
421 systems, pursuant to the requirements of this subsection.

422 Beginning in 1996, such amounts shall be made available to water
423 providers and users no later than December 31 of each year,
424 through grants, matching grants, revolving loans, or the use of
425 district lands or facilities pursuant to the requirements of
426 this subsection and guidelines established by the districts. In
427 making grants or loans, funding priority shall be given to
428 projects in accordance with s. 373.0831(4).

429 (b) It is the intent of the Legislature that for each
430 reclaimed water utility, or any other utility, which receives
431 funds pursuant to this subsection, the appropriate rate-setting
432 authorities should develop rate structures for all water,
433 wastewater, and reclaimed water and other alternative water
434 supply utilities in the service area of the funded utility,
435 which accomplish the following:

436 1. Provide meaningful progress toward the development and
437 implementation of alternative water supply systems, including
438 reclaimed water systems;

439 2. Promote the conservation of fresh water withdrawn from
440 natural systems;

441 3. Provide for an appropriate distribution of costs for
442 all water, wastewater, and alternative water supply utilities,



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443 including reclaimed water utilities, among all of the users of
444 those utilities; and

445 4. Prohibit rate discrimination within classes of utility
446 users.

447 (c) Funding assistance provided by the water management
448 districts for a water reuse system project shall include the
449 following grant or loan conditions for that project when the
450 water management district determines such conditions will
451 encourage water use efficiency:

452 1. Metering of reclaimed water use for the following
453 activities: residential irrigation, agricultural irrigation,
454 industrial uses except for electric utilities as defined in s.
455 366.02(2), golf course irrigation, landscape irrigation,
456 irrigation of other public access areas, commercial and
457 institutional uses such as toilet flushing, and transfers to
458 other reclaimed water utilities.

459 2. Implementation of reclaimed water rate structures based
460 on actual use of reclaimed water for the types of reuse
461 activities listed in subparagraph 1.

462 3. Implementation of education programs to inform the
463 public about water issues, water conservation, and the
464 importance and proper use of reclaimed water.

465 4. Development of location data for key reuse facilities.

466 (d)(e) In order to be eligible for funding pursuant to
467 this subsection, a project must be consistent with a local
468 government comprehensive plan and the governing body of the
469 local government must require all appropriate new facilities
470 within the project's service area to connect to and use the



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471 project's alternative water supplies. The appropriate local
472 government must provide written notification to the appropriate
473 district that the proposed project is consistent with the local
474 government comprehensive plan.

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

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

483 1. An application process and a deadline for filing
484 applications annually.

485 2. A process for determining project eligibility pursuant
486 to the requirements of paragraphs (d) ~~(e)~~ and (e) ~~(d)~~.

487 3. A process and criteria for funding projects pursuant to
488 this subsection that cross district boundaries or that serve
489 more than one district.

490 (g)~~(f)~~ The governing board of each water management
491 district shall establish an alternative water supplies grants
492 advisory committee to recommend to the governing board projects
493 for funding pursuant to this subsection. The advisory committee
494 members shall include, but not be limited to, one or more
495 representatives of county, municipal, and investor-owned private
496 utilities, and may include, but not be limited to,
497 representatives of agricultural interests and environmental
498 interests. Each committee member shall represent his or her



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499 interest group as a whole and shall not represent any specific
500 entity. The committee shall apply the guidelines and project
501 eligibility criteria established by the governing board in
502 reviewing proposed projects. After one or more hearings to
503 solicit public input on eligible projects, the committee shall
504 rank the eligible projects and shall submit them to the
505 governing board for final funding approval. The advisory
506 committee may submit to the governing board more projects than
507 the available grant money would fund.

508 (h)~~(g)~~ All revenues made available annually pursuant to
509 this subsection must be encumbered annually by the governing
510 board if it approves projects sufficient to expend the available
511 revenues. Funds must be disbursed within 36 months after
512 encumbrance.

513 (i)~~(h)~~ For purposes of this subsection, alternative water
514 supplies are supplies of water that have been reclaimed after
515 one or more public supply, municipal, industrial, commercial, or
516 agricultural uses, or are supplies of stormwater, or brackish or
517 salt water, that have been treated in accordance with applicable
518 rules and standards sufficient to supply the intended use.

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

521 (k)~~(j)~~ By January 30 of each year, each water management
522 district shall submit an annual report to the Governor, the
523 President of the Senate, and the Speaker of the House of
524 Representatives which accounts for the disbursement of all budgeted
525 amounts pursuant to this subsection. Such report shall describe
526 all projects funded and shall account separately for moneys



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527 provided through grants, matching grants, revolving loans, and
528 the use of district lands or facilities.

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

536 Section 8. Subsection (9) is added to section 373.1963,
537 Florida Statutes, to read:

538 373.1963 Assistance to West Coast Regional Water Supply
539 Authority.--

540 (9) The water supply authority is encouraged to pursue
541 alternative water supplies but may pursue groundwater
542 development within its member governments with the contributing
543 member government's approval.

544 Section 9. Subsection (5) is added to section 373.223,
545 Florida Statutes, to read:

546 373.223 Conditions for a permit.--

547 (5)(a) Water use rights granted under a permit for the
548 consumptive use of water shall not be sold, except as provided
549 in s. 373.0421(3), and except when ownership of a consumptive
550 use permit is transferred as a result of the sale of real
551 property to which the consumptive use permit is attached,
552 provided that the water is to be used for the same purpose for
553 which the permit was granted.



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554 (b) The selling or transferring by a permittee of water
555 that is used as an ingredient in a packaged food product
556 regulated by the Unites States Food and Drug Administration or
557 the Florida Department of Agriculture does not constitute a
558 proposed transfer or new use within the meaning of this section.

559 (c) This subsection shall not affect the authority of the
560 water management districts to transfer a permit from one entity
561 to another for the same use, in the same amounts, in the same
562 location, and subject to the same conditions.

563 (d) The sale of water by a local government does not
564 constitute a sale of water rights within the meaning of this
565 section.

566 Section 10. Section 373.2231, Florida Statutes, is created
567 to read:

568 373.2231 Peace River comprehensive study.--The Legislature
569 acknowledges that there are many and varied demands on the
570 available water supplies on the Peace River watershed from
571 industry, agriculture, and commercial and residential
572 development. The cumulative impact of all these demands has the
573 potential to significantly reduce the fresh water flows and
574 levels in the Peace River. Accordingly, the Legislature hereby
575 directs the Southwest Florida Water Management District to
576 conduct a comprehensive study of the cumulative impacts of the
577 existing and projected demands on the water resources of the
578 Peace River watershed. The study shall be completed and a report
579 of the study submitted to the Governor, the President of the
580 Senate, and the Speaker of the House of Representatives by June
581 1, 2004.



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582 Section 11. Section 373.2234, Florida Statutes, is created
583 to read:

584 373.2234 Preferred water supply sources.--The governing
585 board of the district is authorized to adopt rules identifying
586 preferred water supply sources for which there is sufficient
587 data to establish that the source can be used to provide a
588 substantial new water supply to meet existing and reasonably
589 anticipated water needs in a water supply planning region
590 identified pursuant to s. 373.0361(1) while sustaining the water
591 resources and related natural systems. Such rules shall, at a
592 minimum, contain a description of the source and an assessment
593 of the water the source is projected to produce. If a
594 consumptive use permit applicant proposes to use such a source
595 consistent with the assessment, the proposed use shall be
596 subject to the provisions of s. 373.223(1), but such proposed
597 use shall be a factor deemed to be consistent with the public
598 interest pursuant to s. 373.223(1)(c). A consumptive use permit
599 issued approving the use of such a source shall be for at least
600 20 years and may be subject to the provisions of s. 373.226(3).
601 However, nothing in this section shall be construed to provide
602 that the use of nonpreferred sources must receive a permit
603 duration of less than 20 years or that such nonpreferred sources
604 or projects are not consistent with the public interest.

605 Section 12. Paragraph (c) is added to subsection (2) of
606 section 373.250, Florida Statutes, to read:

607 373.250 Reuse of reclaimed water.--
608 (2)



609 (c) A water management district may require the use of
 610 reclaimed water in lieu of surface water or groundwater when the
 611 use of uncommitted reclaimed water is environmentally,
 612 economically, and technically feasible. However, while
 613 recognizing that the state's surface water and groundwater are
 614 public resources, nothing in this paragraph shall be construed
 615 to give a water management district the authority to require a
 616 provider of reclaimed water to redirect reclaimed water from one
 617 user to another or to provide uncommitted water to a specific
 618 user if such water is anticipated to be used by the provider, or
 619 a different user selected by the provider, within a reasonable
 620 amount of time.

621 Section 13. Paragraph (a) of subsection (6) of section
 622 373.536, Florida Statutes, is amended to read:

623 373.536 District budget and hearing thereon.--

624 (6) FINAL BUDGET; ANNUAL AUDIT; CAPITAL IMPROVEMENTS PLAN;
 625 WATER RESOURCE DEVELOPMENT WORK PROGRAM.--

626 (a) Each district must, by the date specified for each
 627 item, furnish copies of the following documents to the Governor,
 628 the President of the Senate, the Speaker of the House of
 629 Representatives, the chairs of all legislative committees and
 630 subcommittees having substantive or fiscal jurisdiction over the
 631 districts, as determined by the President of the Senate or the
 632 Speaker of the House of Representatives as applicable, the
 633 secretary of the department, and the governing board of each
 634 county in which the district has jurisdiction or derives any
 635 funds for the operations of the district:



636 1. The adopted budget, to be furnished within 10 days
637 after its adoption.

638 2. A financial audit of its accounts and records, to be
639 furnished within 10 days after its acceptance by the governing
640 board. The audit must be conducted in accordance with the
641 provisions of s. 11.45 and the rules adopted thereunder. In
642 addition to the entities named above, the district must provide
643 a copy of the audit to the Auditor General within 10 days after
644 its acceptance by the governing board.

645 3. A 5-year capital improvements plan, to be furnished
646 within 45 days after the adoption of the final budget. The plan
647 must include expected sources of revenue for planned
648 improvements and must be prepared in a manner comparable to the
649 fixed capital outlay format set forth in s. 216.043.

650 4. A 5-year water resource development work program to be
651 furnished within 45 days after the adoption of the final budget.
652 The program must describe the district's implementation strategy
653 for the water resource development component of each approved
654 regional water supply plan developed or revised under s.
655 373.0361. The work program must address all the elements of the
656 water resource development component in the district's approved
657 regional water supply plans and must identify which projects in
658 the work program will provide water, explain how each water
659 resource development project will produce additional water
660 available for consumptive uses, estimate the quantity of water
661 to be produced by each project, and assess the contribution of
662 the district's water resource development work program in
663 providing sufficient water to meet the water supply needs of



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664 | existing and future reasonable-beneficial uses for a 1-in-10-
665 | year drought event. Within 45 days after its submittal, the
666 | department shall review the proposed work program and submit its
667 | findings, questions, and comments to the district. The review
668 | must include a written evaluation of the program's consistency
669 | with the furtherance of the district's approved regional water
670 | supply plans, and the adequacy of proposed expenditures. As part
671 | of the review, the department shall give interested parties the
672 | opportunity to provide written comments on each district's
673 | proposed work program. Within 60 days after receipt of the
674 | department's evaluation, the governing board shall state in
675 | writing to the department which changes recommended in the
676 | evaluation it will incorporate into its work program or specify
677 | the reasons for not incorporating the changes. The department
678 | shall include the district's responses in a final evaluation
679 | report and shall submit a copy of the report to the Governor,
680 | the President of the Senate, and the Speaker of the House of
681 | Representatives.

682 | (b) If any entity listed in paragraph (a) provides written
683 | comments to the district regarding any document furnished under
684 | this subsection, the district must respond to the comments in
685 | writing and furnish copies of the comments and written responses
686 | to the other entities.

687 | Section 14. Landscape irrigation design.--

688 | (1) The Legislature finds that multiple areas throughout
689 | the state have been identified by water management districts as
690 | water resource caution areas, which indicates that in the near
691 | future water demand in those areas will exceed the current



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692 available water supply and that conservation is one of the
693 mechanisms by which future water demand will be met.

694 (2) The Legislature finds that landscape irrigation
695 comprises a significant portion of water use and that the
696 current typical landscape irrigation system and xeriscape
697 designs offer significant potential water conservation benefits.

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

701 (4) Water management districts shall develop and adopt by
702 rule landscape irrigation and xeriscape design standards for new
703 construction that incorporate a landscape irrigation system. The
704 standards shall be based on the irrigation code defined in the
705 Florida Building Code, Plumber's Volume, Appendix F. Such design
706 standards should promote the effective and efficient use of
707 irrigation water and include a consideration of local
708 demographic, hydrologic, and other considerations as they apply
709 to landscape irrigation water use. When adopting an ordinance or
710 regulation, local governments shall use these approved
711 irrigation design standards.

712 (5) Water management districts shall work with the Florida
713 Chapter of the American Society of Landscape Architects, the
714 Florida Irrigation Society, the Florida Nurserymen and Growers
715 Association, the Department of Agriculture and Consumer
716 Services, the Institute of Food and Agricultural Sciences, the
717 Department of Environmental Protection, the Florida League of
718 Cities, and the Florida Association of Counties to develop
719 scientifically-based model guidelines for urban, commercial, and



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720 residential landscape irrigation, including drip irrigation, for
721 plants, trees, sod, and other landscaping. Local governments
722 shall use the scientific information when developing landscape
723 irrigation ordinances or guidelines. Every 3 years, the agencies
724 and entities specified in this subsection shall review the model
725 guidelines to determine whether new research findings require a
726 change or modification of the guidelines.

727 Section 15. Water metering.--Where economically and
728 logistically feasible, individual water meters shall be required
729 for each new separate occupancy unit of commercial
730 establishments; multifamily residential buildings; condominiums
731 and cooperatives; marinas; and trailer, mobile home, and
732 recreational vehicle parks for which construction is commenced
733 after July 1, 2003. The applicable water utility is not required
734 to assume ownership, maintenance, or billing responsibility for
735 any submeters resulting from such individual metering. A utility
736 may require a master meter at such establishments for purposes
737 of billing a single entity, whereupon the entity may in turn
738 bill the owners of the individual submeters. Individual water
739 meters shall not be required:

740 (1) In those portions of a commercial establishment where
741 the floor space dimensions or physical configuration of the
742 units is subject to alteration as evidenced by nonstructural
743 element partition walls, unless the utility determines that
744 adequate provisions can be made to modify the metering to
745 accurately reflect such alterations.

746 (2) For water used in specialized-use housing such as
747 hospitals, nursing homes, assisted living facilities located on



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748 | the same premises as and operated in conjunction with a nursing
749 | home or other health care facility providing at least the same
750 | level and types of service as a nursing home, convalescent
751 | homes, facilities certified under chapter 651, Florida Statutes,
752 | government financed or subsidized housing for the elderly or
753 | disabled, college dormitories, convents, sorority houses,
754 | fraternity houses, motels, hotels, or similar facilities.

755 | (3) For separate specifically designated areas for
756 | overnight occupancy at trailer, mobile home, and recreational
757 | vehicle parks where permanent residency is not established and
758 | for marinas where living on board is prohibited by ordinance,
759 | deed restriction, or other permanent means.

760 | (4) For sites in mobile home parks that were permitted for
761 | occupancy by the Department of Health prior to July 1, 2003.

762 | (5) For timeshare developments, provided that all of the
763 | occupancy units are committed to a timeshare plan as defined in
764 | and regulated by chapter 721, Florida Statutes, and none of the
765 | occupancy units is used for permanent occupancy.

766 | Section 16. Subsection (1) of section 378.212, Florida
767 | Statutes, is amended to read:

768 | 378.212 Variances.--

769 | (1) Upon application, the secretary may grant a variance
770 | from the provisions of this part, part IV, or the rules adopted
771 | pursuant thereto. Variances and renewals thereof may be granted
772 | for any one of the following reasons:

773 | (a) There is no practicable means known or available to
774 | comply with the provisions of this part or the rules adopted
775 | pursuant thereto.



776 (b) Compliance with a particular requirement or
 777 requirements from which a variance is sought will necessitate
 778 the taking of measures which must be spread over a considerable
 779 period of time. A variance granted for this reason shall
 780 prescribe a timetable for the taking of the measures required.

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

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

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

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

792 (g) To accommodate reclamation that provides for water
 793 supply development or water resource development, consistent
 794 with the applicable regional water supply plan approved pursuant
 795 to s. 373.0361, provided regional water resources are not
 796 adversely affected.

797 Section 17. Subsection (9) is added to section 378.404,
 798 Florida Statutes, to read:

799 378.404 Department of Environmental Protection; powers and
 800 duties.--The department shall have the following powers and
 801 duties:

802 (9) To grant variances from the provisions of this part to
 803 accommodate reclamation that provides for water supply



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804 development or water resource development, consistent with the
805 applicable regional water supply plan approved pursuant to s.
806 373.0361, appropriate stormwater management, and wildlife
807 habitat or recreation, provided that regional water resources
808 and public health and safety are not adversely affected.

809 Section 18. Subsection (6) of section 403.064, Florida
810 Statutes, is amended, and subsection (16) is added to said
811 section, to read:

812 403.064 Reuse of reclaimed water.--

813 (6) A reuse feasibility study prepared under subsection
814 (2) satisfies a water management district requirement to conduct
815 a reuse feasibility study imposed on a local government or
816 utility that has responsibility for wastewater management, and
817 the conclusions of the study shall be given significant
818 consideration in an analysis of the feasibility of providing
819 reclaimed water for reuse under part II of chapter 373. A water
820 management district shall not require a separate study when a
821 reuse feasibility study has been completed under subsection (2).

822 (16) Utilities implementing reuse projects are encouraged
823 to meter use of reclaimed water by all end users and, except for
824 electric utilities as defined in s. 366.02(2), to charge for the
825 use of reclaimed water based on the actual volume used when such
826 metering and charges can be shown to encourage water
827 conservation. Metering and the use of volume-based rates are
828 effective water management tools for the following reuse
829 activities: residential irrigation, agricultural irrigation,
830 industrial uses, golf course irrigation, landscape irrigation,
831 irrigation of other public access areas, commercial and



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832 institutional uses such as toilet flushing, and transfers to
833 other reclaimed water utilities. Beginning with the submittal
834 due on January 1, 2004, each domestic wastewater utility that
835 provides reclaimed water for the reuse activities listed in this
836 section shall include a summary of its metering and rate
837 structure as part of its annual reuse report to the department.

838 Section 19. Section 403.0645, Florida Statutes, is created
839 to read:

840 403.0645 Reclaimed water use at state facilities.--

841 (1) The encouragement and promotion of reuse of reclaimed
842 water has been established as a state objective in ss. 373.250
843 and 403.064. Reuse has become an integral part of water and
844 wastewater management in Florida, and Florida is recognized as a
845 national leader in water reuse.

846 (2) The state and various state agencies and water
847 management districts should take a leadership role in using
848 reclaimed water in lieu of other water sources. Use of reclaimed
849 water by state agencies and facilities will conserve potable
850 water and will serve an important public education function.

851 (3) All state agencies and water management districts are
852 directed to use reclaimed water to the greatest extent
853 practicable for landscape irrigation, toilet flushing, aesthetic
854 features such as decorative ponds and fountains, cooling water,
855 and other useful purposes allowed by department rules at state
856 facilities, including, but not limited to, parks, rest areas,
857 visitor welcome centers, buildings, college campuses, and other
858 facilities.



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859 (4) Each state agency and water management district shall
860 submit to the Secretary of Environmental Protection by February
861 1 of each year a summary of activities designed to utilize
862 reclaimed water at its facilities along with a summary of the
863 amounts of reclaimed water actually used for beneficial
864 purposes.

865 Section 20. Paragraph (b) of subsection (3) of section
866 403.1835, Florida Statutes, is amended, and subsection (12) is
867 added to said section, to read:

868 403.1835 Water pollution control financial assistance.--

869 (3) The department may provide financial assistance
870 through any program authorized under s. 603 of the Federal Water
871 Pollution Control Act (Clean Water Act), Pub. L. No. 92-500, as
872 amended, including, but not limited to, making grants and loans,
873 providing loan guarantees, purchasing loan insurance or other
874 credit enhancements, and buying or refinancing local debt. This
875 financial assistance must be administered in accordance with
876 this section and applicable federal authorities. The department
877 shall administer all programs operated from funds secured
878 through the activities of the Florida Water Pollution Control
879 Financing Corporation under s. 403.1837, to fulfill the purposes
880 of this section.

881 (b) The department may make or request the corporation to
882 make loans, grants, and deposits to other entities eligible to
883 participate in the financial assistance programs authorized
884 under the Federal Water Pollution Control Act, or as a result of
885 other federal action, which entities may pledge any revenue
886 available to them to repay any funds borrowed. Notwithstanding



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887 s. 18.10, the department may make deposits to financial
888 institutions that earn less than the prevailing rate for United
889 States Treasury securities with corresponding maturities for the
890 purpose of enabling such financial institutions to make below-
891 market interest rate loans to entities qualified to receive
892 loans under this section and the rules of the department.

893 (12)(a) It is the intent of the Legislature that for each
894 reclaimed water utility or any other utility that receives funds
895 pursuant to this subsection, the appropriate rate-setting
896 authorities should develop rate structures for all water,
897 wastewater, and reclaimed water and other alternative water
898 supply utilities in the service area of the funded utility which
899 accomplish the following:

900 1. Provide meaningful progress toward the development and
901 implementation of alternative water supply systems, including
902 reclaimed water systems.

903 2. Promote the conservation of fresh water withdrawn from
904 natural systems.

905 3. Provide for an appropriate distribution of costs for
906 all water, wastewater, and alternative water supply utilities,
907 including reclaimed water utilities, among all of the users of
908 those utilities.

909 (b) Funding assistance provided for a water reuse system
910 project shall include the following loan conditions for that
911 project where such conditions will encourage water use
912 efficiency:

913 1. Metering of reclaimed water use for the following
914 activities: residential irrigation, agricultural irrigation,



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915 industrial uses except for electric utilities as defined in s.
916 366.02(2), golf course irrigation, landscape irrigation,
917 irrigation of other public access areas, and commercial uses.

918 2. Implementation of reclaimed water rate structures based
919 on actual use of reclaimed water for the reuse types listed in
920 subparagraph 1.

921 3. Implementation of education programs to inform the
922 public about water issues, water conservation, and the
923 importance and proper use of reclaimed water.

924 Section 21. Subsection (6) of section 403.1837, Florida
925 Statutes, is amended to read:

926 403.1837 Florida Water Pollution Control Financing
927 Corporation.--

928 (6) The corporation may issue and incur notes, bonds,
929 certificates of indebtedness, or other obligations or evidences
930 of indebtedness payable from and secured by amounts received
931 from payment of loans and other moneys received by the
932 corporation, including, but not limited to, amounts payable to
933 the corporation by the department under a service contract
934 entered into under subsection (5). ~~The corporation may not issue~~
935 ~~bonds in excess of an amount authorized by general law or an~~
936 ~~appropriations act except to refund previously issued bonds. The~~
937 ~~corporation may issue bonds in amounts not exceeding \$50 million~~
938 ~~in fiscal year 2000-2001, \$75 million in fiscal year 2001-2002,~~
939 ~~and \$100 million in fiscal year 2002-2003.~~ The proceeds of the
940 bonds may be used for the purpose of providing funds for
941 projects and activities provided for in subsection (1) or for
942 refunding bonds previously issued by the corporation. The



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943 corporation may select a financing team and issue obligations
944 through competitive bidding or negotiated contracts, whichever
945 is most cost-effective. Any such indebtedness of the corporation
946 does not constitute a debt or obligation of the state or a
947 pledge of the faith and credit or taxing power of the state.

948 Section 22. This act shall take effect upon becoming a
949 law.