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25-1337-03 See HB 1459

A bill to be entitled An act relating to water supplies; providing legislative findings and intent; providing for the development of a water conservation quidance manual by the Department of Environmental Protection; providing for purpose and contents of the manual and requirements with respect thereto; requiring water management districts to adopt the manual in their rules by a specified date; requiring public water supply utilities to develop water conservation programs based upon options contained in the manual; amending s. 373.023, F.S.; revising scope and applicability of the Florida Water Resources Act of 1972 to exclude from regulation under the act water produced by domestic wastewater treatment facilities; amending s. 373.0361, F.S.; providing additional components of regional water supply plans; providing that a district water management plan may not be used as criteria for the review of permits for consumptive uses of water unless the plan or applicable portion thereof has been adopted by rule; amending s. 373.0831, F.S.; revising the criteria by which water supply development projects may receive priority consideration for funding assistance; providing for permitting and funding of a proposed alternative water supply project identified in the relevant approved regional water supply plan; amending s. 373.1961, F.S.;

1 encouraging water management district governing 2 boards to establish revolving loan trust funds 3 for specified purposes; amending s. 373.223, F.S.; including certain utilities within 4 5 provisions which require the consideration of 6 specified factors and conditions by a water 7 management governing board or the Department of Environmental Protection prior to approval of a 8 9 water use permit; amending s. 373.236, F.S.; 10 providing for consumptive use permits of 11 extended duration where specified conservation measures are in effect; amending s. 373.246, 12 13 F.S.; providing requirements of a permittee with respect to compliance with a water 14 shortage order; amending s. 373.250, F.S.; 15 providing construction with respect to 16 17 provisions governing reuse of reclaimed water; amending s. 378.212, F.S.; authorizing the 18 19 granting of a variance from pt. IV of ch. 378, 20 F.S., the Resource Extraction Reclamation Act, and from ch. 373, F.S., the Florida Water 21 Resources Act of 1972, under specified 22 circumstances; providing an additional 23 24 circumstance for which a variance may be granted; amending s. 403.064, F.S.; providing 25 that conclusions of described reuse feasibility 26 studies shall govern specified permitting 27 28 decisions and the feasibility of providing 29 reclaimed water for reuse purposes; amending s. 403.1835, F.S.; authorizing the Department of 30 31 Environmental Protection to make specified

deposits for the purpose of enabling below-market interest rate loans for treatment of polluted water; amending s. 259.03, F.S.; revising the definition of "water resource development project"; providing for a study of the feasibility of discharging reclaimed wastewater into canals in a specified area as an environmentally acceptable means of accomplishing described objectives; requiring reports; providing an effective date.

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

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Section 1. (1) The Legislature recognizes that the proper conservation of water is an important means of achieving the economic and efficient utilization of water necessary to constitute a reasonable and beneficial use. The Legislature encourages the development and use of water conservation measures that are effective, flexible, and affordable. In the context of the use of water for public supply provided by a water utility, the Legislature intends for a variety of conservation measures to be available and used to encourage efficient water use. The Legislature finds that the social, economic, and cultural conditions of this state relating to the use of public water supply vary by geographic region, and thus water utilities must have the flexibility to tailor water conservation measures to best suit their individual circumstances.

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(2) In furtherance of the findings in subsection (1), the Department of Environmental Protection shall develop a water conservation guidance manual containing a menu of water

conservation measures from which public water supply utilities may select in the development of a water conservation program 2 3 tailored for their individual service areas that is effective and does not impose undue costs or burdens on customers. 4 5 water conservation guidance manual may contain measures such 6 as billing notices informing customers of the need to conserve 7 water; ordinances requiring low-flow plumbing; rebate programs 8 for the installation of water-saving plumbing or appliances; general water conservation educational programs; and water 9 10 conservation or drought rate structures that encourage 11 customers to conserve water through appropriate price signals. If the water conservation guidance manual includes 12 the option of adopting water conservation or drought rate 13 structures, the department shall specifically set forth in the 14 15 manual that it is the responsibility of the appropriate utility to determine the rates it will charge its customers 16 17 and that the role of the department or water management district is confined to the review of those rate structures to 18 19 determine whether they encourage water conservation. department shall also set forth in the water conservation 20 guidance manual that a utility need not adopt a water 21 conservation or drought rate structure if the utility employs 22 other measures that are equally effective or more effective. 23 24 The Department of Environmental Protection shall develop the water conservation guidance manual no later than 25 26 November 15, 2003. The department shall develop the manual in 27 consultation with representatives from the water management districts, public water supply utilities, domestic wastewater 28 29 utilities, environmental and community organizations, business organizations, and municipalities and counties. The water 30 management districts shall, by March 15, 2004, adopt the water 31

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includes:

1 conservation guidance manual by reference in their rules governing the review of applications for permits under part II 2 3 of chapter 373, Florida Statutes. Once the water conservation guidance manual is adopted by rule, a public water supply 4 5 utility shall develop a water conservation program from the 6 options contained in the manual. The program shall be used to 7 satisfy water conservation requirements imposed as a condition 8 to obtaining a permit under part II of chapter 373, Florida Statutes. The department, in consultation with the 9 10 aforementioned entities, may periodically amend or revise the 11 water conservation guidance manual as appropriate to reflect changed circumstances or new technologies or ideas. The 12 findings and provisions in this section shall not be construed 13 14 to apply to uses of water other than potable water supply. Section 2. Subsection (1) of section 373.023, Florida 15 Statutes, is amended to read: 16 17 373.023 Scope and application. --(1) All waters in the state, except water produced by 18 19 domestic wastewater treatment facilities subject to regulation 20 under s. 403.064, are subject to regulation under the provisions of this chapter unless specifically exempted by 21 22 general or special law. Section 3. Subsections (2) and (6) of section 23 24 373.0361, Florida Statutes, are amended to read: 25 373.0361 Regional water supply planning.--(2) Each regional water supply plan shall be based on 26 27 at least a 20-year planning period and shall include, but not 28 be limited to: 29 (a) A water supply development component that

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- A quantification of the water supply needs for all existing and reasonably projected future uses within the planning horizon. The level-of-certainty planning goal associated with identifying the water supply needs of existing and future reasonable-beneficial uses shall be based upon meeting those needs for a 1-in-10-year drought event.
- 2. A list of water source options for water supply development, including traditional and alternative sources, from which local government, government-owned and privately owned utilities, self-suppliers, and others may choose, which will exceed the needs identified in subparagraph 1.
- 3. For each option listed in subparagraph 2., the estimated amount of water available for use and the estimated costs of and potential sources of funding for water supply development.
- 4. A list of water supply development projects that meet the criteria in s. 373.0831(4).
- (b) A water resource development component that includes:
- A listing of those water resource development projects that support water supply development.
 - 2. For each water resource development project listed:
- An estimate of the amount of water to become available through the project.
- The timetable for implementing or constructing the project and the estimated costs for implementing, operating, and maintaining the project.
 - Sources of funding and funding needs.
- d. Who will implement the project and how it will be implemented.

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- (c) The recovery and prevention strategy described in s. 373.0421(2).
- (d) A funding strategy for water resource development projects, which shall be reasonable and sufficient to pay the cost of constructing or implementing all of the listed projects.
- (e) Consideration of how the options addressed in paragraphs (a) and (b) serve the public interest or save costs overall by preventing the loss of natural resources or avoiding greater future expenditures for water resource development or water supply development. However, unless adopted by rule, these considerations do not constitute final agency action.
- (f) The technical data and information applicable to the planning region which are contained in the district water management plan and are necessary to support the regional water supply plan.
- (g) The minimum flows and levels established for water resources within the planning region.
- (h) Reservations of water adopted by rule pursuant to s. 373.223(4).
- An analysis, developed in cooperation with the department, of areas or instances in which the variance provisions of s. 378.212(1)(g) may be used to create water supply development or water resource development projects.
- (6) Nothing contained in the water supply development component of the district water management plan shall be construed to require local governments, government-owned or privately owned water utilities, self-suppliers, or other water suppliers to select a water supply development option identified in the component merely because it is identified in

 the plan, nor may the plan be used as criteria for the review of permits under part II unless the plan, or applicable portion thereof, has been adopted by rule. However, this subsection shall not be construed to limit the authority of the department or governing board under part II.

Section 4. Subsections (3) and (4) of section 373.0831, Florida Statutes, are amended to read:

373.0831 Water resource development; water supply development.--

- implement water resource development as defined in s. 373.019. The water management districts are encouraged to implement water resource development as expeditiously as possible in areas subject to regional water supply plans. Each governing board shall include in its annual budget the amount needed for the fiscal year to implement water resource development projects, as prioritized in its regional water supply plans. When submitting its annual budget to the Governor s office for review under s. 373.536, the governing board shall explain how each water resource development project will produce additional water available for consumptive uses and estimate the quantity of water to be produced.
- (4)(a) Water supply development projects which are consistent with the relevant regional water supply plans and which meet <u>at least</u> one <u>or more</u> of the following criteria shall receive priority consideration for state or water management district funding assistance:
- 1. The project supports establishment of a dependable, sustainable supply of water which is not otherwise financially feasible;

regional water supply sources.

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competitive with other options; or The project significantly implements reuse, storage, recharge, or conservation of water in a manner that contributes to the efficient use and sustainability of

impacts, but requires funding assistance to be economically

benefits by preventing or limiting adverse water resource

The project provides substantial environmental

- (b) Water supply development projects which meet the criteria in paragraph (a) and also bring about replacement of existing sources in order to help implement a minimum flow or level shall be given first consideration for state or water management district funding assistance.
- (c) If a proposed alternative water supply project is identified in the relevant approved regional water supply plan, the project shall receive:
- 1. A 20-year consumptive use permit, if it otherwise meets the permit requirements under ss. 373.223 and 373.236 and rules adopted thereunder.
- 2. Priority funding pursuant to s. 373.1961(2) with the implementation of the water resource development component of the proposed project.
- Section 5. Paragraph (a) of subsection (2) of section 373.1961, Florida Statutes, is amended to read:
 - 373.1961 Water production.--
- (2) The Legislature finds that, due to a combination of factors, vastly increased demands have been placed on natural supplies of fresh water, and that, absent increased development of alternative water supplies, such demands may increase in the future. The Legislature also finds that 31 potential exists in the state for the production of

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significant quantities of alternative water supplies, including reclaimed water, and that water production includes the development of alternative water supplies, including reclaimed water, for appropriate uses. It is the intent of the Legislature that utilities develop reclaimed water systems, where reclaimed water is the most appropriate alternative water supply option, to deliver reclaimed water to as many users as possible through the most cost-effective means, and to construct reclaimed water system infrastructure to their owned or operated properties and facilities where they have reclamation capability. It is also the intent of the Legislature that the water management districts which levy ad valorem taxes for water management purposes should share a 14 percentage of those tax revenues with water providers and users, including local governments, water, wastewater, and reuse utilities, municipal, industrial, and agricultural water users, and other public and private water users, to be used to supplement other funding sources in the development of alternative water supplies. The Legislature finds that public moneys or services provided to private entities for such uses constitute public purposes which are in the public interest. In order to further the development and use of alternative water supply systems, including reclaimed water systems, the Legislature provides the following:

(a) The governing boards of the water management districts where water resource caution areas have been designated shall include in their annual budgets an amount for the development of alternative water supply systems, including reclaimed water systems, pursuant to the requirements of this subsection. Beginning in 1996, such amounts shall be made available to water providers and users no later than December

31 of each year, through grants, matching grants, revolving 2 loans, or the use of district lands or facilities pursuant to 3 the requirements of this subsection and guidelines established 4 by the districts. Without diminishing amounts available 5 through other means described in this paragraph, the governing 6 boards are encouraged to consider establishing revolving loan 7 funds to expand the total funds available to accomplish the 8 objectives of this section. A revolving loan fund created pursuant to this paragraph shall be a nonlapsing fund from 9 10 which the water management district may make loans with 11 interest rates below prevailing market rates to public or private entities for the purposes described in this section. 12 The governing boards may adopt resolutions to establish 13 revolving loan funds which shall specify the details of the 14 administration of the fund, the procedures for applying for 15 loans from the fund, the criteria for awarding loans from the 16 17 fund, the initial capitalization of the fund, and the goals for future capitalization of the fund in subsequent budget 18 19 years. Revolving loan funds created pursuant to this 20 paragraph shall be used to expand the total sums and sources of cooperative funding available for the development of 21 alternative water supplies. The Legislature does not intend 22 for the creation of revolving loan trust funds to supplant or 23 24 otherwise reduce existing sources or amounts of funds 25 currently available through other means. Section 6. Subsection (3) of section 373.223, Florida 26 27 Statutes, is amended to read: 28 373.223 Conditions for a permit.--29 (3) Except for the transport and use of water supplied

by the Central and Southern Florida Flood Control Project, and

anywhere in the state when the transport and use of water is

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supplied exclusively for bottled water as defined in s. 500.03(1)(d), any water use permit applications pending as of April 1, 1998, with the Northwest Florida Water Management District, and self-suppliers of water for which the proposed water source and area of use or application are located on contiguous private properties, utilities implementing one or more options of an approved regional water supply plan prepared pursuant to ss. 373.036 and 373.0361, utilities implementing interconnections, and utilities owning or operating facilities located in more than one county, when evaluating whether a potential transport and use of ground or surface water across county boundaries is consistent with the 12 13 public interest, pursuant to paragraph (1)(c), the governing board or department shall consider: 14

- (a) The proximity of the proposed water source to the area of use or application.
- (b) All impoundments, streams, groundwater sources, or watercourses that are geographically closer to the area of use or application than the proposed source, and that are technically and economically feasible for the proposed transport and use.
- (c) All economically and technically feasible alternatives to the proposed source, including, but not limited to, desalination, conservation, reuse of nonpotable reclaimed water and stormwater, and aquifer storage and recovery.
- The potential environmental impacts that may result from the transport and use of water from the proposed source, and the potential environmental impacts that may result from use of the other water sources identified in 31 paragraphs (b) and (c).

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- (e) Whether existing and reasonably anticipated sources of water and conservation efforts are adequate to supply water for existing legal uses and reasonably anticipated future needs of the water supply planning region in which the proposed water source is located.
- (f) Consultations with local governments affected by the proposed transport and use.
- (q) The value of the existing capital investment in water-related infrastructure made by the applicant.
- Where districtwide water supply assessments and regional water supply plans have been prepared pursuant to ss. 373.036 and 373.0361, the governing board or the department shall use the applicable plans and assessments as the basis for its consideration of the applicable factors in this subsection.
- Section 7. Subsection (4) is added to section 373.236, Florida Statutes, to read:
 - 373.236 Duration of permits; compliance reports.--
- The department or the water management district shall issue permits of longer duration than specified in subsection (1), subsection (2), or subsection (3) to applicants who implement and provide reasonable assurances of effective and efficient conservation measures that exceed the average for the industry or type of water use, and where sufficient data exists to provide reasonable assurance that the conditions for the issuance of an extended-duration permit will be met for the duration of the permit. Permits issued for a duration of 10 years or longer pursuant to this subsection shall be subject to the provisions of subsection (3).

 Section 8. Subsection (6) of section 373.246, Florida Statutes, is amended to read:

373.246 Declaration of water shortage or emergency.--

each permittee in the district by regular mail of any change in the condition of his or her permit or any suspension of his or her permit or of any other restriction on the permittee's use of water for the duration of the water shortage. The permittee shall comply with such orders, subject to the right to challenge such orders as provided herein. However, an applicant for a permit under this part shall not be required to demonstrate the ability to comply with future potential orders issued under this section as a condition to obtaining the permit.

Section 9. Subsection (4) of section 373.250, Florida Statutes, is amended to read:

373.250 Reuse of reclaimed water.--

(4) Nothing in this section shall impair a water management district's authority to plan for and regulate consumptive uses of water under this chapter. However, neither this section nor this part shall be construed to grant the water management districts the authority to require a utility to provide reclaimed water, the provision of which shall be solely governed by s. 403.064.

Section 10. Subsection (1) of section 378.212, Florida Statutes, is amended to read:

378.212 Variances.--

(1) Upon application, the secretary may grant a variance from the provisions of this part, part IV, and chapter 373, or the rules adopted pursuant thereto. Variances

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and renewals thereof may be granted for any one of the following reasons:

- (a) There is no practicable means known or available to comply with the provisions of this part or the rules adopted pursuant thereto.
- (b) Compliance with a particular requirement or requirements from which a variance is sought will necessitate the taking of measures which must be spread over a considerable period of time. A variance granted for this reason shall prescribe a timetable for the taking of the measures required.
- (c) To relieve or prevent hardship, including economic hardship, of a kind other than those provided for in paragraphs (a) and (b).
- (d) To accommodate specific phosphate mining, processing or chemical plant uses that otherwise would be inconsistent with the requirements of this part.
- (e) To provide for an experimental technique that would advance the knowledge of reclamation and restoration methods.
- To accommodate projects, including those proposing offsite mitigation, that provide a significant regional benefit for wildlife and the environment.
- (g) To accommodate reclamation that provides water supply development or water resource development consistent with the applicable regional water supply plan approved pursuant to s. 373.0361, provided that regional water resources are not adversely affected.

Section 11. Subsections (1), (4), and (6) of section 30 403.064, Florida Statutes, are amended to read:

403.064 Reuse of reclaimed water.--

- conservation, and reuse of reclaimed water, as defined by the department, are state objectives and are considered to be in the public interest. The Legislature finds that the reuse of reclaimed water is a critical component of meeting the state's existing and future water supply needs while sustaining natural systems. The Legislature further finds that for those wastewater treatment plants permitted and operated under an approved reuse program by the department, the reclaimed water shall be considered environmentally acceptable and not a threat to public health and safety. The Legislature encourages the development of incentive-based programs for reuse implementation.
- (4) The study required under subsection (2) shall be performed by the applicant, and, if the study shows that the reuse is feasible, the applicant must give significant consideration to its implementation if the study complies with the requirements of subsections (2) and (3). The conclusions of the study shall govern permitting decisions under this part and part II of chapter 373.
- (6) A reuse feasibility study prepared under subsection (2) satisfies a water management district requirement to conduct a reuse feasibility study imposed on a local government or utility that has responsibility for wastewater management, and the conclusions of the study shall determine the feasibility of providing reclaimed water for reuse under part II of chapter 373.

Section 12. Paragraph (b) of subsection (3) of section 403.1835, Florida Statutes, is amended to read:

30 403.1835 Water pollution control financial assistance.--

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- The department may provide financial assistance through any program authorized under s. 603 of the Federal Water Pollution Control Act (Clean Water Act), Pub. L. No. 92-500, as amended, including, but not limited to, making grants and loans, providing loan guarantees, purchasing loan insurance or other credit enhancements, and buying or refinancing local debt. This financial assistance must be administered in accordance with this section and applicable federal authorities. The department shall administer all programs operated from funds secured through the activities of the Florida Water Pollution Control Financing Corporation under s. 403.1837, to fulfill the purposes of this section.
- (b) The department may make or request the corporation to make loans, grants, and deposits to other entities eligible to participate in the financial assistance programs authorized under the Federal Water Pollution Control Act, or as a result of other federal action, which entities may pledge any revenue available to them to repay any funds borrowed. Notwithstanding s. 18.10, the department may make deposits to financial institutions that earn less than the prevailing rate for United States Treasury securities with corresponding maturities for the purpose of enabling such financial institutions to make below-market interest rate loans to entities qualified to receive loans under this section and the rules of the department.

Section 13. Subsection (6) of section 259.03, Florida Statutes, is amended to read:

259.03 Definitions.--The following terms and phrases when used in this chapter shall have the meanings ascribed to them in this section, except where the context clearly 31 indicates a different meaning:

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"Water resource development project" means a project eligible for funding pursuant to s. 259.105 that increases the amount of water available to meet the needs of natural systems and the citizens of the state by enhancing or restoring aquifer recharge, facilitating the capture and storage of excess flows in surface waters, or promoting reuse. The implementation of eligible projects under s. 259.105 includes land acquisition, land and water body restoration, aquifer storage and recovery facilities, surface water reservoirs, and other capital improvements. The term does not include construction of potable water treatment, transmission, or distribution facilities. Section 14. The Legislature finds that, within the area identified in the Lower East Coast Regional Water Supply Plan approved by the South Florida Water Management District pursuant to section 373.0361, Florida Statutes, the groundwater levels can benefit from augmentation. The Legislature finds that the discharge of reclaimed water into canals for transport and subsequent reuse may provide an environmentally acceptable means to augment water supplies and enhance natural systems; however, the Legislature also recognizes that there are water quality and water quantity issues that must be better understood and resolved. In addition, there are cost savings possible by collocating enclosed conduits for conveyance of water for reuse in this area within canal rights-of-way that should be investigated. Toward that end, the Department of Environmental Protection, in consultation with the South Florida Water Management District, Southeast Florida utilities, affected local governments, including local governments with principal

responsibility for the operation and maintenance of a water

1 control system capable of conveying reclaimed wastewater for reuse, representatives of the environmental and engineering 2 3 communities, public health professionals, and individuals having expertise in water quality, shall conduct a study to 4 5 investigate the feasibility of discharging reclaimed 6 wastewater into canals as an environmentally acceptable means 7 of augmenting groundwater supplies, enhancing natural systems, 8 and conveying reuse water within enclosed conduits within the canal right-of-way. The study shall include an assessment of 9 10 the water quality, water supply, public health, technical, and 11 legal implications related to the canal discharge and collocation concepts. The department shall issue a preliminary 12 written report containing draft findings and recommendations 13 for public comment by November 1, 2003. The department shall 14 provide a written report on the results of its study to the 15 Governor and the substantive committees of the House of 16 17 Representatives and the Senate by January 31, 2004. Nothing in this section shall be used to alter the purpose of the 18 19 Comprehensive Everglades Restoration Plan or the 20 implementation of the Water Resources Development Act of 2000. Section 15. This act shall take effect upon becoming a 21 22 law. 23 24 25 26 27 28 29 30 31