

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 987 Relating to Pasco County
SPONSOR(S): Anderson
TIED BILLS: **IDEN./SIM. BILLS:** SB 2120

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Subcommittee on Energy</u>	<u>8 Y, 0 N</u>	<u>Holt</u>	<u>Liepshutz</u>
2) <u>Business Regulation</u>	_____	_____	_____
3) <u>Natural Resources</u>	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

According to Public Service Commission (PSC) docket information, the black water and other water-related issues of Pasco County have long been the subject of numerous PSC proceedings. In August of 2000, the Interagency Copper Pipe Corrosion Project (Project) was initiated by the PSC in response to complaints of black water occurring in some customers' homes, not just in Pasco County, but in other areas as well. The general problem that these customers were experiencing was the result of copper corrosion. The black water problem, discussed in the *Interagency Copper Pipe Corrosion Project Final Report*, stated that black water primarily occurs when hydrogen sulfide in the source water reacts with copper pipes to create copper sulfide, a form of copper corrosion. This corrosion can result in gray to black water in the customers' homes, pin-hole pipe leaks, and eventually failure of the copper pipe. In many instances, failure of copper pipe due to corrosion will result without evidence of discolored water. Further, the quality of the drinking water as it enters the customers' homes often meets all state and federal drinking water standards for health effects. Consequently, black water is viewed as an aesthetic rather than a health problem. In Florida, occurrences of hydrogen sulfide are predominantly found in coastal areas and areas bordering the I-4 corridor. However, in regard to Pasco County, black water is not the only issue this bill addresses as problematic for the monopoly water utility consumers. Two other drinking water problems identified by these customers are a foul smell resulting from variations in raw water chemistry and customer service.

The bill establishes a pilot project in Pasco County that addresses black water, odoriferous water, and consumer service inadequacies. The bill provides for an ad hoc committee to be created by the chair of the county commission whenever a significant number of complaints are received by Pasco County relating to these water-related issues. This two-year committee will conduct reviews and recommend to the county commission whether uniform customer service criteria, new technology, or uniform minimum technology standards should be made applicable to the monopoly water utilities in the county.

Additionally, the bill allows the Pasco County commission the discretion to either adopt as recommended or expand the recommendations of the committee. The final decisions of the commission are subject to Chapter 120, Florida Statutes.

Further, this local bill is intended to supersede the provisions of Chapter 367, Florida Statutes, to the extent that such provisions are inconsistent with this local act. The act which takes effect upon becoming law expires on July 1, 2005.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

The bill creates a local government committee that conducts reviews and makes recommendations to the county commission relating to privately-owned water utilities.

B. EFFECT OF PROPOSED CHANGES:

The bill establishes a pilot project in Pasco County that addresses black water, odoriferous water, and consumer service inadequacies. The bill provides for an ad hoc committee to be created by the chair of the county commission whenever a significant number of complaints, about any monopoly water utility, are received by Pasco County for these water-related issues.

This two-year committee will be made up of the chair of the county commission, two representatives from the monopoly utility, two customer representatives, the county health officer, and two independent scientific experts in water chemistry. The functions of the committee will be to:

- review and evaluate customer service complaints, and if necessary, recommend to the county commission the establishment of uniform customer service criteria.
- review and evaluate black water and odoriferous water complaints made by monopoly water utility customers and investigate whether similar complaints have been made with the PSC.
- if necessary, recommend to the county commission for the requirement of new technology or uniform minimum technology standards in treating the two water-related problems and the delivery of customer service. The committee's determination may be based only on the utility's operational protocol at it relates to customer service and water quality, related to local variations in water chemistry. Any standards recommended by the committee may not deal with the utility's financial aspects or conflict with water quality standards presently imposed by the PSC, Department of Environmental Protection (DEP), Environmental Protection Agency (EPA). However, in consultation with the PSC, DEP, and EPA, the committee may still make economical, technological, and environmental recommendations for local technological standards, processing methods, or other customer services responsiveness standards, that exceed those presently imposed.

Additionally, the bill allows the Pasco County commission the discretion to either adopt as recommended or adopt additional technological standards that do not conflict with PSC, DEP, or EPA permitting requirements. The commission may also adopt other minimum standards for customer service responsiveness. Each monopoly water utility shall be informed of any new standards adopted by the county commission and given three months to submit to the county a plan for compliance. The county shall allow for a reasonable time for compliance of any new standards. Also, the county commission is prohibited from adopting standards that deal with the financial aspects of a monopoly water utility. The commission is also prohibited from adopting standards that are in conflict with, or are more stringent than, water quality standards presently imposed by the PSC, DEP, and EPA.

Also, the provisions of the bill are subject to ch. 120, F.S., and authorize any affected monopoly water utility, consumer, or state agency to challenge the county commission's adoption of standards that do not comply with the provisions of the act.

Further, all reasonable and prudent costs incurred in complying with the county imposed standards and any legal or other costs incurred by the utility as a result of participating in the process provided for in the bill are recoverable by a monopoly water utility under s. 367.081(4) (b), F.S., if that monopoly water utility is regulated by the PSC.

The act is intended to supersede the provisions of ch. 367, F.S., to the extent that such provisions are inconsistent with this act. This act shall expire July 1, 2005, and it takes effect upon becoming law.

C. SECTION DIRECTORY:

Section 1.

Subsection (1) provides legislative intent and findings that recognizes the water-related issues of Pasco County.

Subsection (2) authorizes the chair of the Pasco County Commission to establish a monopoly water utility ad hoc committee if the county receives a significant number of complaints from customers concerning black water, rotten-egg smelling odor, or customer service. The committee must be comprised of the chair of the county commission, two representatives from a monopoly water utility, two customer representatives, the county health officer, and two independent scientific experts in water chemistry. The committee shall be in existence for no more than 2 years.

Paragraph 2(a) requires the ad hoc committee to review and evaluate customer service complaints and, if deemed necessary, recommend customer service criteria to the county commission.

Paragraph 2(b) requires the committee to review and evaluate black water and rotten-egg odor concerns expressed by customers serviced by a monopoly water utility if similar complaints have also been filed with the Public Service Commission.

Paragraph 2(c) authorizes the committee to recommend to the county commission the propriety of requiring new technology or new uniform minimum technology standards for use by monopoly water utilities in the treatment of black water, rotten-egg odor, and the delivery of customer service. The committee may only evaluate a monopoly water utility's operational protocol as it relates to customer service and water quality issues related to local variations in water chemistry. The committee may also recommend the establishment of local technological standards or other minimum standards regarding general responsiveness to customer service complaints.

The committee may not recommend standards dealing with financial aspects of a water utility or standards or criteria relating to water quality which would conflict with standards presently imposed by the Public Service Commission (PSC), the Department of Environmental Protection (DEP), or the EPA. The ad hoc committee is required to consult with the PSC, DEP, and EPA. Recommendations must be economically, technologically, and environmentally feasible.

Subsection (3) authorizes the Pasco County Commission to choose to adopt recommendations made by the ad hoc committee. Each monopoly water utility shall be informed of any new standards adopted by the county commission and given three months to submit to the county a plan for compliance. The county shall allow for a reasonable time for compliance of any new standards.

This subsection prohibits the county commission from adopting standards that deal with the financial aspects of a monopoly water utility. This subsection also prohibits the county commission from adopting standards that are in conflict with, or are more stringent than, water quality standards

presently imposed by the PSC, DEP, and EPA. The bill subjects the county's adoption of technology or customer service standards to ch. 120, F.S., and authorizes any affected monopoly water utility, consumer, or state agency to challenge the county's decision to adopt such standards.

All reasonable and prudent costs incurred in complying with the county imposed standards and any legal or other costs incurred by the utility in participating in the process outlined in this section are recoverable by a monopoly water utility under s. 367.081(4) (b), F.S. if that monopoly water utility is regulated by the PSC.

Further, the bill is intended to supersede the provisions of Chapter 367, Florida Statutes, to the extent that such provisions are inconsistent with this act. The act shall expire July 1, 2005, and takes effect upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN?

January 9, 2004

WHERE?

Gulf Coast Business Review, a weekly newspaper, published at New Port Richey in Pasco County.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENT/COMMITTEE SUBSTITUTE CHANGES

