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	CHAMBER ACTION		
Senate	•	House	
Comm: RCS 3/27/2008	•		
	•		

The Committee on Environmental Preservation and Conservation (Gaetz) recommended the following **amendment**:

## Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Subsections (7) and (8) of section 403.067, Florida Statutes, are amended, subsections (9) through (12) are renumbered as sections (11) through (14), respectively, and new subsections (9) and (10) are added to that section, to read:

11 (7) DEVELOPMENT OF BASIN MANAGEMENT PLANS AND
 12 IMPLEMENTATION OF TOTAL MAXIMUM DAILY LOADS.--

(a) Basin management action plans.--

In developing and implementing the total maximum daily
 load for a water body, the department, or the department in
 conjunction with a water management district, may develop a basin
 management action plan that addresses some or all of the

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18 watersheds and basins tributary to the water body. Such a plan must shall integrate the appropriate management strategies 19 20 available to the state through existing water quality protection programs to achieve the total maximum daily loads and may provide 21 22 for phased implementation of these management strategies to 23 promote timely, cost-effective actions as provided for in s. 24 403.151. The plan must shall establish a schedule for 25 implementing the management strategies, establish a basis for 26 evaluating the plan's effectiveness, and identify feasible 27 funding strategies for implementing the plan's management strategies. The management strategies may include regional 28 29 treatment systems or other public works, where appropriate, and, 30 in the basin listed in subsection (10) for which a basin management action plan has been adopted, voluntary trading of 31 32 water quality credits to achieve the needed pollutant load reductions. 33

34 2. A basin management action plan must shall equitably 35 allocate, pursuant to paragraph (6) (b), pollutant reductions to 36 individual basins, as a whole to all basins, or to each 37 identified point source or category of nonpoint sources, as appropriate. For nonpoint sources for which best management 38 practices have been adopted, the initial requirement specified by 39 40 the plan must shall be those practices developed pursuant to paragraph (c). Where appropriate, the plan may take into account 41 42 the benefits of provide pollutant load reduction achieved by 43 point or nonpoint sources credits to dischargers that have implemented management strategies to reduce pollutant loads, 44 45 including best management practices, prior to the development of the basin management action plan. The plan must shall also 46

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identify the mechanisms <u>that will address</u> by which potential
future increases in pollutant loading will be addressed.

49 3. The basin management action planning process is intended to involve the broadest possible range of interested parties, 50 with the objective of encouraging the greatest amount of 51 52 cooperation and consensus possible. In developing a basin 53 management action plan, the department shall assure that key stakeholders, including, but not limited to, applicable local 54 55 governments, water management districts, the Department of 56 Agriculture and Consumer Services, other appropriate state 57 agencies, local soil and water conservation districts, 58 environmental groups, regulated interests, and affected pollution 59 sources, are invited to participate in the process. The department shall hold at least one public meeting in the vicinity 60 of the watershed or basin to discuss and receive comments during 61 the planning process and shall otherwise encourage public 62 participation to the greatest practicable extent. Notice of the 63 64 public meeting must shall be published in a newspaper of general 65 circulation in each county in which the watershed or basin lies not less than 5 days nor more than 15 days before the public 66 67 meeting. A basin management action plan shall not supplant or 68 otherwise alter any assessment made under subsection (3) or 69 subsection (4) or any calculation or initial allocation.

4. The department shall adopt all or any part of a basin
management action plan <u>and any amendment to such plan</u> by
secretarial order pursuant to chapter 120 to implement the
provisions of this section.

74 5. The basin management action plan <u>must</u> shall include 75 milestones for implementation and water quality improvement, and 76 an associated water quality monitoring component sufficient to

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77 evaluate whether reasonable progress in pollutant load reductions 78 is being achieved over time. An assessment of progress toward 79 these milestones shall be conducted every 5 years, and revisions 80 to the plan shall be made as appropriate. Revisions to the basin 81 management action plan shall be made by the department in 82 cooperation with basin stakeholders. Revisions to the management 83 strategies required for nonpoint sources must shall follow the procedures set forth in subparagraph (c)4. Revised basin 84 85 management action plans must shall be adopted pursuant to 86 subparagraph 4.

87 6. In accordance with procedures adopted by rule under 88 paragraph (9)(c), basin management action plans may allow point 89 or nonpoint sources that will achieve greater pollutant 90 reductions than required by an adopted total maximum load or 91 wasteload allocation to generate, register, and trade water quality credits for the excess reductions to enable other sources 92 93 to achieve their allocation; however, the generation of water 94 quality credits does not remove the obligation of a source or 95 activity to meet applicable technology requirements or adopted best management practices. Such plans must allow trading between 96 97 NPDES permittees, and trading that may or may not involve NPDES 98 permittees, where the generation or use of the credits involve an 99 entity or activity not subject to department water discharge 100 permits whose owner voluntarily elects to obtain department 101 authorization for the generation and sale of credits.

102 7. The provisions of the department's rule relating to the
 103 equitable abatement of pollutants into surface waters shall not
 104 be applied to water bodies or water body segments for which a
 105 basin management plan that takes into account future new or
 106 expanded activities or discharges has been adopted under this

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107 section. Total maximum daily load implementation .--108 (b) 109 1. The department shall be the lead agency in coordinating 110 the implementation of the total maximum daily loads through 111 existing water quality protection programs. Application of a 112 total maximum daily load by a water management district must shall be consistent with this section and shall not require the 113 114 issuance of an order or a separate action pursuant to s. 115 120.536(1) or s. 120.54 for the adoption of the calculation and 116 allocation previously established by the department. Such 117 programs may include, but are not limited to:

a. Permitting and other existing regulatory programs,
 including water-quality-based effluent limitations;

b. Nonregulatory and incentive-based programs, including
best management practices, cost sharing, waste minimization,
pollution prevention, agreements established pursuant to s.
403.061(21), and public education;

124 c. Other water quality management and restoration
125 activities, for example surface water improvement and management
126 plans approved by water management districts or basin management
127 action plans developed pursuant to this subsection;

128 d. <u>Trading of water quality credits</u> <del>Pollutant trading</del> or
 129 other equitable economically based agreements;

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e. Public works including capital facilities; or

f. Land acquisition.

2. For a basin management action plan adopted pursuant to paragraph (a) subparagraph (a)4., any management strategies and pollutant reduction requirements associated with a pollutant of concern for which a total maximum daily load has been developed, including effluent limits set forth for a discharger subject to

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NPDES permitting, if any, <u>must</u> shall be included in a timely manner in subsequent NPDES permits or permit modifications for that discharger. The department shall not impose limits or conditions implementing an adopted total maximum daily load in an NPDES permit until the permit expires, the discharge is modified, or the permit is reopened pursuant to an adopted basin management action plan, unless required by federal law or regulation.

a. Absent a detailed allocation, total maximum daily loads 144 145 shall be implemented through NPDES permit conditions that provide for afford a compliance schedule. In such instances, a facility's 146 147 NPDES permit must shall allow time for the issuance of an order 148 adopting the basin management action plan. The time allowed for 149 the issuance of an order adopting the plan shall not exceed 5 150 years. Upon issuance of an order adopting the plan, the permit 151 must shall be reopened or renewed, as necessary, and permit conditions consistent with the plan must shall be established. 152 Notwithstanding the other provisions of this subparagraph, upon 153 154 request by a NPDES permittee, the department as part of a permit 155 issuance, renewal, or modification may establish individual allocations prior to the adoption of a basin management action 156 157 plan.

b. For holders of NPDES municipal separate storm sewer
system permits and other stormwater sources, implementation of a
total maximum daily load or basin management action <u>must</u> <del>plan</del>
shall be achieved, to the maximum extent practicable, through the
use of best management practices or other management measures.

163 c. The basin management action plan does not relieve the 164 discharger from any requirement to obtain, renew, or modify an 165 NPDES permit or to abide by other requirements of the permit.

## 196014

d. Management strategies set forth in a basin management
action plan to be implemented by a discharger subject to
permitting by the department <u>must shall</u> be completed pursuant to
the schedule set forth in the basin management action plan. This
implementation schedule may extend beyond the 5-year term of an
NPDES permit.

e. Management strategies and pollution reduction requirements set forth in a basin management action plan for a specific pollutant of concern shall not be subject to challenge under chapter 120 at the time they are incorporated, in an identical form, into a subsequent NPDES permit or permit modification.

178 f. For nonagricultural pollutant sources not subject to 179 NPDES permitting but permitted pursuant to other state, regional, 180 or local water quality programs, the pollutant reduction actions 181 adopted in a basin management action plan shall be implemented to 182 the maximum extent practicable as part of those permitting 183 programs.

184 g. A nonpoint source discharger included in a basin management action plan must shall demonstrate compliance with the 185 pollutant reductions established under <del>pursuant to</del> subsection (6) 186 187 by either implementing the appropriate best management practices 188 established pursuant to paragraph (c) or conducting water quality 189 monitoring prescribed by the department or a water management 190 district. A nonpoint source discharger may, in accordance with 191 department rules, supplement the implementation of best management practices with water quality credit trades in order to 192 193 demonstrate compliance with the pollutant reductions established 194 under subsection (6).

## 196014

h. A nonpoint source discharger included in a basin
management action plan may be subject to enforcement action by
the department or a water management district based upon a
failure to implement the responsibilities set forth in subsubparagraph g.

200 A landowner, discharger, or other responsible person who i. 201 is implementing applicable management strategies specified in an adopted basin management action plan shall not be required by 202 203 permit, enforcement action, or otherwise to implement additional 204 management strategies to reduce pollutant loads to attain the 205 pollutant reductions established pursuant to subsection (6) and 206 shall be deemed to be in compliance with this section. This 207 subparagraph does not limit the authority of the department to 208 amend a basin management action plan as specified in subparagraph 209 (a)5.

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(c) Best management practices.--

211 1. The department, in cooperation with the water management 212 districts and other interested parties, as appropriate, may 213 develop suitable interim measures, best management practices, or other measures necessary to achieve the level of pollution 214 215 reduction established by the department for nonagricultural 216 nonpoint pollutant sources in allocations developed pursuant to 217 subsection (6) and this subsection. These practices and measures 218 may be adopted by rule by the department and the water management 219 districts pursuant to ss. 120.536(1) and 120.54, and, where adopted by rule, shall be implemented by those parties 220 221 responsible for nonagricultural nonpoint source pollution.

222 2. The Department of Agriculture and Consumer Services may 223 develop and adopt by rule pursuant to ss. 120.536(1) and 120.54 224 suitable interim measures, best management practices, or other

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225 measures necessary to achieve the level of pollution reduction 226 established by the department for agricultural pollutant sources 227 in allocations developed pursuant to subsection (6) and this subsection or for programs implemented pursuant to paragraph 228 229 (13) (b) (11) (b). These practices and measures may be implemented 230 by those parties responsible for agricultural pollutant sources 231 and the department, the water management districts, and the 232 Department of Agriculture and Consumer Services shall assist with 233 implementation. In the process of developing and adopting rules 234 for interim measures, best management practices, or other 235 measures, the Department of Agriculture and Consumer Services 236 shall consult with the department, the Department of Health, the 237 water management districts, representatives from affected farming 238 groups, and environmental group representatives. Such rules must 239 shall also incorporate provisions for a notice of intent to implement the practices and a system to assure the implementation 240 241 of the practices, including recordkeeping requirements.

242 3. Where interim measures, best management practices, or 243 other measures are adopted by rule, the effectiveness of such practices in achieving the levels of pollution reduction 244 established in allocations developed by the department pursuant 245 246 to subsection (6) and this subsection or in programs implemented 247 pursuant to paragraph (13) (b) must (11) (b) shall be verified at representative sites by the department. The department shall use 248 249 best professional judgment in making the initial verification 250 that the best management practices are reasonably expected to be effective and, where applicable, must shall notify the 251 252 appropriate water management district or the Department of 253 Agriculture and Consumer Services of its initial verification 254 before <del>prior to</del> the adoption of a rule proposed pursuant to this

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255 paragraph. Implementation, in accordance with rules adopted under 256 this paragraph, of practices that have been initially verified to 257 be effective, or verified to be effective by monitoring at 258 representative sites, by the department, shall provide a 259 presumption of compliance with state water quality standards and 260 release from the provisions of s. 376.307(5) for those pollutants 261 addressed by the practices, and the department is not authorized 262 to institute proceedings against the owner of the source of 263 pollution to recover costs or damages associated with the 264 contamination of surface water or groundwater caused by those 265 pollutants. Research projects funded by the department, a water 266 management district, or the Department of Agriculture and 267 Consumer Services to develop or demonstrate interim measures or 268 best management practices shall be granted a presumption of 269 compliance with state water quality standards and a release from 270 the provisions of s. 376.307(5). The presumption of compliance and release is shall be limited to the research site and only for 271 272 those pollutants addressed by the interim measures or best 273 management practices. Eligibility for the presumption of compliance and release is shall be limited to research projects 274 275 on sites where the owner or operator of the research site and the 276 department, a water management district, or the Department of 277 Agriculture and Consumer Services have entered into a contract or 278 other agreement that, at a minimum, specifies the research 279 objectives, the cost-share responsibilities of the parties, and a schedule that details the beginning and ending dates of the 280 281 project.

4. Where water quality problems are demonstrated, despite
the appropriate implementation, operation, and maintenance of
best management practices and other measures required by

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285 according to rules adopted under this paragraph, the department, 286 a water management district, or the Department of Agriculture and 287 Consumer Services, in consultation with the department, shall institute a reevaluation of the best management practice or other 288 289 measure. Should the reevaluation determine that the best 290 management practice or other measure requires modification, the 291 department, a water management district, or the Department of Agriculture and Consumer Services, as appropriate, shall revise 292 293 the rule to require implementation of the modified practice 294 within a reasonable time period as specified in the rule.

295 5. Agricultural records relating to processes or methods of 296 production, costs of production, profits, or other financial 297 information held by the Department of Agriculture and Consumer 298 Services pursuant to subparagraphs 3. and 4. or pursuant to any 299 rule adopted pursuant to subparagraph 2. are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State 300 301 Constitution. Upon request, records made confidential and exempt 302 pursuant to this subparagraph shall be released to the department 303 or any water management district provided that the confidentiality specified by this subparagraph for such records 304 305 is maintained.

306 6. The provisions of subparagraphs 1. and 2. do shall not 307 preclude the department or water management district from 308 requiring compliance with water quality standards or with current 309 best management practice requirements set forth in any applicable regulatory program authorized by law for the purpose of 310 protecting water quality. Additionally, subparagraphs 1. and 2. 311 312 are applicable only to the extent that they do not conflict with any rules adopted by the department that are necessary to 313 maintain a federally delegated or approved program. 314

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315	(8) WATER QUALITY CREDIT TRADING
316	(a) Water quality credit trading must be consistent with
317	federal law and regulation.
318	(b) Water quality credit trading must be implemented
319	through permits, including water quality credit trading permits,
320	other authorizations, or other legally binding agreements as
321	established by department rule.
322	(c) The department shall establish the pollutant load
323	reduction value of water quality credits and shall be responsible
324	for authorizing their use.
325	(d) A person that acquires water quality credits ("buyer")
326	shall timely submit to the department an affidavit, signed by the
327	buyer and the credit generator ("seller"), disclosing the term of
328	acquisition, number of credits, unit credit price paid, and any
329	state funding received for the facilities or activities that
330	generate the credits. The department shall not participate in
331	the establishment of credit prices.
332	(e) Sellers of water quality credits are responsible for
333	achieving the load reductions on which the credits are based and
334	complying with the terms of the department authorization and any
335	trading agreements into which they may have entered.
336	(f) Buyers of water quality credits are responsible for
337	complying with the terms of the department water discharge
338	permit.
339	(g) The department shall take appropriate action to address
340	the failure of a credit seller to fulfill its obligations,
341	including, as necessary, deeming the seller's credits invalid if
342	the seller cannot achieve the load reductions on which the
343	credits were based in a reasonable time. In the event the
344	department determines duly acquired water quality credits to be

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345	invalid, in whole or in part, thereby causing the credit buyer to
346	be unable to timely meet its pollutant reduction obligations
347	under this section, the department shall issue an order
348	establishing the actions required of the buyer to meet its
349	obligations by alternative means and a reasonable schedule for
350	completing the actions. The invalidation of credits shall not
351	itself constitute a violation of the buyer's water discharge
352	permit.
353	(9) <del>(8)</del> RULESThe department is authorized to adopt rules
354	pursuant to ss. 120.536(1) and 120.54 for:
355	(a) Delisting water bodies or water body segments from the
356	list developed under subsection (4) pursuant to the guidance
357	under subsection (5);
358	(b) <u>Administering</u> Administration of funds to implement the
359	total maximum daily load and basin management action planning
360	programs;
361	(c) <u>Water quality credit</u> <del>Procedures for pollutant</del> trading
362	among the pollutant sources to a water body or water body
363	segment.+ By July 1, 2008, rulemaking must be initiated which
364	provides for the following: ; including a mechanism for the
365	issuance and tracking of pollutant credits. Such procedures may
366	be implemented through permits or other authorizations and must
367	be legally binding. Prior to adopting rules for pollutant trading
368	under this paragraph, and no later than November 30, 2006, the
369	Department of Environmental Protection shall submit a report to
370	the Governor, the President of the Senate, and the Speaker of the
371	House of Representatives containing recommendations on such
372	rules, including the proposed basis for equitable economically
373	based agreements and the tracking and accounting of pollution
374	credits or other similar mechanisms. Such recommendations shall

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375	be developed in cooperation with a technical advisory committee
376	that includes experts in pollutant trading and representatives of
377	potentially affected parties;
378	1. The process to be used to determine how credits are
379	generated, quantified, and validated.
380	2. A publicly accessible water quality credit trading
381	registry that tracks water quality credits, trading activities,
382	and prices paid for credits.
383	3. Limitations on the availability and use of water quality
384	credits, including a list of eligible pollutants or parameters
385	and minimum water quality requirements and, where appropriate,
386	adjustments to reflect best management practice performance
387	uncertainties and water-segment-specific location factors.
388	4. The timing and duration of credits and allowance for
389	credit transferability.
390	5. Mechanisms for determining and ensuring compliance with
391	trading procedures, including recordkeeping, monitoring,
392	reporting, and inspections.
393	
394	At the time of publication of the draft rules on water quality
395	credit trading, the department shall submit a copy to the United
396	States Environmental Protection Agency for review.
397	(d) The total maximum daily load calculation in accordance
398	with paragraph (6)(a) immediately upon the effective date of this
399	act, for those eight water segments within Lake Okeechobee proper
400	as submitted to the United States Environmental Protection Agency
401	pursuant to subsection (2) <u>.</u> and
402	(e) Implementation of other specific provisions.
403	(10) Water quality credit trading shall be limited to the
404	Lower St. Johns River Basin, as defined by the department, as a
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405	pilot project. The department may authorize water quality credit
406	trading and establish specific requirements for trading in the
407	adopted basin management action plan for the Lower St. Johns
408	River Basin prior to the adoption of rules under paragraph (9)(c)
409	in order to effectively implement the pilot project. Entities
410	that participate in water quality credit trades shall timely
411	report to the department the prices for credits, how the prices
412	were determined, and any state funding received for the
413	facilities or activities that generated the credits. The
414	department shall not participate in the establishment of credit
415	prices. No later than 24 months after adoption of the basin
416	management action plan for the Lower St. Johns River, the
417	department shall submit a report to the Governor, the President
418	of the Senate, and the Speaker of the House of Representatives on
419	the effectiveness of the pilot project, including the following
420	information:
421	(a) A summary of how water quality credit trading was
422	implemented, including the number of pounds of pollutants traded.
423	(b) A description of the individual trades and estimated
424	pollutant load reductions that are expected to result from each
425	trade.
426	(c) A description of any conditions placed on trades.
427	(d) Prices associated with the trades, as reported by the
428	traders.
429	(e) A recommendation as to whether other areas of the state
430	would benefit from water quality credit trading and, if so, an
431	identification of the statutory changes necessary to expand the
432	scope of trading.
433	Section 2. Paragraphs (e) and (f) of subsection (2) of
434	section 403.088, Florida Statutes, are amended to read:
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435 403.088 Water pollution operation permits; conditions.-436 (2)

437 (e) However, if the discharge will not meet permit
438 conditions or applicable statutes and rules, the department may
439 issue, renew, revise, or reissue the operation permit if:

1. The applicant is constructing, installing, or placing into operation, or has submitted plans and a reasonable schedule for constructing, installing, or placing into operation, an approved pollution abatement facility or alternative waste disposal system;

2. The applicant needs permission to pollute the waters within the state for a period of time necessary to complete research, planning, construction, installation, or operation of an approved and acceptable pollution abatement facility or alternative waste disposal system;

3. There is no present, reasonable, alternative means of
disposing of the waste other than by discharging it into the
waters of the state;

4. The granting of an operation permit will be in the
454 public interest; or

455 5. The discharge will not be unreasonably destructive to
456 the quality of the receiving waters; or.

457 <u>6. A water quality credit trade that meets the requirements</u> 458 <u>of s. 403.067.</u>

(f) A permit issued, renewed, or reissued pursuant to
paragraph (e) shall be accompanied by an order establishing a
schedule for achieving compliance with all permit conditions.
Such permit may require compliance with the accompanying order.
Section 3. This act shall take effect July 1, 2008.

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465	======================================
466	And the title is amended as follows:
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468	Delete everything before the enacting clause
469	and insert:
470	A bill to be entitled
471	An act relating to water pollution control; amending s.
472	403.067, F.S.; providing requirements for basin management
473	action plans; allowing such plans to take into account the
474	benefits of pollutant load reduction achieved by point or
475	nonpoint sources, where appropriate; requiring that the
476	Department of Environmental Protection adopt all or part
477	of any such plan, or any amendment thereto, by secretarial
478	order as provided by state law; providing that the
479	provisions of the department's rule relating to the
480	equitable abatement of pollutants into surface waters may
481	not be applied to water bodies or water body segments for
482	which a basin management plan that takes into account
483	future or new expanded activities or discharges has been
484	adopted; authorizing water quality protection programs to
485	include the trading of water quality credits; authorizing
486	the department to adopt rules related to the trading of
487	water quality credits; requiring that such rulemaking
488	include certain provisions; specifying that a water
489	quality credit trading pilot project be limited to the
490	Lower St. Johns River Basin as a pilot project; requiring
491	that the department provide the Legislature with an annual
492	report regarding the effectiveness of the pilot project;
493	providing report requirements; providing that the
494	department may authorize and establish specific

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495	requirements for water quality credit trading as part of
496	the Lower St. Johns River Basin adopted basin management
497	action plan; correcting cross-references to conform to
498	changes made by the act; amending s. 403.088, F.S.;
499	authorizing the department to revise a water pollution
500	operation permit under certain circumstances; authorizing
501	the department to issue, renew, or reissue such a permit
502	if a water quality credit trade meets the requirements of
503	403.067, F.S.; requiring that revised permits be
504	accompanied by an order establishing a schedule for
505	achieving compliance with all permit conditions; providing
506	an effective date.

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