

By the Committees on Community Affairs; and Environmental Preservation and Conservation; and Senator Hays

578-02961B-12

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1                                   A bill to be entitled  
2       An act relating to water supply; amending s. 373.236,  
3       F.S.; specifying conditions of issuance; requiring  
4       that certain permits approved for the development of  
5       alternative water supplies by certain entities be  
6       granted for at least 30 years; requiring that such  
7       permits be extended under specified conditions;  
8       providing for a reduction in permitted water  
9       quantities during compliance reviews under certain  
10      circumstances; excluding from application of the act a  
11      permit for nonbrackish groundwater or nonalternative  
12      water supplies; providing an option for the duration  
13      of an alternative water supply permit to a county,  
14      special district, regional water supply authority,  
15      multijurisdictional water supply entity, or publicly  
16      or privately owned utility; creating the Study  
17      Committee on Investor-Owned Water and Wastewater  
18      Utility Systems; providing for membership and terms of  
19      service; prohibiting compensation of the members;  
20      providing for reimbursement of the members for certain  
21      expenses; providing for removal or suspension of  
22      members by the appointing authority; requiring the  
23      Public Service Commission to provide staff,  
24      information, assistance, and facilities that are  
25      deemed necessary for the committee to perform its  
26      duties; providing for funding from the Florida Public  
27      Service Regulatory Trust Fund; providing duties for  
28      the committee; providing for public meetings;  
29      requiring the committee to report to the Governor and

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30 Legislature its findings and make recommendations for  
31 legislative changes; providing for future termination  
32 of the committee; providing an effective date.

33  
34 Be It Enacted by the Legislature of the State of Florida:

35  
36 Section 1. Subsection (5) of section 373.236, Florida  
37 Statutes, is amended to read:

38 373.236 Duration of permits; compliance reports.—

39 (5) (a) Permits approved for the development of alternative  
40 water supplies shall be granted for a term of at least 20 years  
41 if there is sufficient data to provide reasonable assurance that  
42 the conditions for permit issuance will be met for the duration  
43 of the permit. However, if the permittee issues bonds for the  
44 construction of the project, upon request of the permittee  
45 before ~~prior to~~ the expiration of the permit, the ~~that~~ permit  
46 shall be extended for such additional time as is required for  
47 the retirement of bonds, not including any refunding or  
48 refinancing of such bonds, if ~~provided that~~ the governing board  
49 determines that the use will continue to meet the conditions for  
50 the issuance of the permit. Such a permit is subject to  
51 compliance reports under subsection (4).

52 (b)1. Permits approved on or after July 1, 2012, for the  
53 development of alternative water supplies shall be granted for a  
54 term of at least 30 years if there is sufficient data to provide  
55 reasonable assurance that the conditions for permit issuance  
56 will be met for the duration of the permit. If, within 7 years  
57 after a permit is granted, the permittee issues bonds to finance  
58 the project, completes construction of the project, and requests

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59 an extension of the permit duration, the permit shall be  
60 extended to expire upon the retirement of such bonds or 30 years  
61 after the date construction of the project is complete,  
62 whichever occurs later. However, a permit's duration may not be  
63 extended by more than 7 years beyond the permit's original  
64 expiration date. A 7-year permit extension, as described in this  
65 subparagraph, shall be applicable to any 30-year permit for the  
66 development of alternative water supplies granted between June  
67 1, 2011, and July 1, 2012.

68 2. Permits issued under this paragraph are subject to  
69 compliance reports under subsection (4). However, if the  
70 permittee demonstrates that bonds issued to finance the project  
71 are outstanding, the quantity of alternative water allocated in  
72 the permit may not be reduced during a compliance report review  
73 unless a reduction is needed to address unanticipated harm to  
74 water resources or to existing legal uses present when the  
75 permit was issued. A reduction required by an applicable water  
76 shortage order shall apply to permits issued under this  
77 paragraph.

78 3. Permits issued under this paragraph may not authorize  
79 the use of nonbrackish groundwater supplies or nonalternative  
80 water supplies.

81 (c) Entities that wish to develop alternative water  
82 supplies may apply for a permit under paragraph (a) or paragraph  
83 (b).

84 Section 2. Study Committee on Investor-Owned Water and  
85 Wastewater Utility Systems.-

86 (1) There is created a Study Committee on Investor-Owned  
87 Water and Wastewater Utility Systems, which shall be composed of

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88 17 members designated and appointed as follows:

89 (a) Two Senators appointed by the President of the Senate,  
90 one of whom shall be appointed as chair by the President of the  
91 Senate.

92 (b) Two Representatives appointed by the Speaker of the  
93 House of Representatives.

94 (c) The Secretary of Environmental Protection or his or her  
95 designee, who shall be a nonvoting member of the committee.

96 (d) The chair of the Public Service Commission or his or  
97 her designee, who shall be a nonvoting member of the committee.

98 (e) A representative of a water management district  
99 appointed by the Governor.

100 (f) A representative of a water or wastewater system owned  
101 or operated by a municipal government appointed by the Governor.

102 (g) A representative of a water or wastewater system owned  
103 or operated by a county government appointed by the Governor.

104 (h) The chair of a county commission that regulates  
105 investor-owned water or wastewater utility systems, who shall be  
106 a nonvoting member of the committee.

107 (i) A representative of a county health department  
108 appointed by the Governor, who shall be a nonvoting member of  
109 the committee.

110 (j) A representative of the Florida Rural Water Association  
111 appointed by the Governor.

112 (k) A representative of a small investor-owned water or  
113 wastewater utility appointed by the Governor.

114 (l) A representative of a large investor-owned water or  
115 wastewater utility appointed by the Governor.

116 (m) The Public Counsel or his or her designee.

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117 (n) A customer of a Class C water or wastewater utility  
118 appointed by the Governor.

119 (o) A representative of a government authority that was  
120 created pursuant to chapter 367, Florida Statutes, appointed by  
121 the Governor.

122 (2) The members shall serve until the work of the committee  
123 is complete and the committee is terminated, except that if a  
124 member no longer serves in the position required for  
125 appointment, the member shall be replaced by the individual who  
126 serves in such position.

127 (3) Members of the committee shall serve without  
128 compensation, but are entitled to reimbursement for all  
129 reasonable and necessary expenses, including travel expenses, in  
130 the performance of their duties as provided in s. 112.061,  
131 Florida Statutes.

132 (4) The appointing authority may remove or suspend a member  
133 appointed by it for cause, including, but not limited to,  
134 failure to attend two or more meetings of the committee.

135 (5) The Public Service Commission shall provide the staff,  
136 information, assistance, and facilities as are deemed necessary  
137 for the committee to carry out its duties under this section.  
138 Funding for the committee shall be paid from the Florida Public  
139 Service Regulatory Trust Fund.

140 (6) The committee shall identify issues of concern of  
141 investor-owned water and wastewater utility systems,  
142 particularly small systems, and their customers and research  
143 possible solutions. In addition, the committee shall consider:

144 (a) The ability of a small investor-owned water and  
145 wastewater utility to achieve economies of scale when purchasing

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146 equipment, commodities, or services.

147 (b) The availability of low-interest loans to a small,  
148 privately owned water or wastewater utility.

149 (c) Any tax incentives or exemptions, temporary or  
150 permanent, which are available to a small water or wastewater  
151 utility.

152 (d) The impact on customer rates if a utility purchases an  
153 existing water or wastewater utility system.

154 (e) The impact on customer rates of a utility providing  
155 service through the use of a reseller.

156 (f) Other issues that the committee identifies during its  
157 investigation.

158 (7) The committee shall meet at the time and location as  
159 the chair determines, except that the committee shall meet a  
160 minimum of four times. At least two meetings must be held in an  
161 area that is centrally located to utility customers who have  
162 recently been affected by a significant increase in water or  
163 wastewater utility rates. The public shall be given the  
164 opportunity to speak at the meeting.

165 (8) By December 31, 2012, the committee shall prepare and  
166 submit to the Governor, the President of the Senate, and the  
167 Speaker of the House of Representatives a report detailing its  
168 findings pursuant to subsection (6) and making specific  
169 legislative recommendations.

170 (9) This section expires and the committee terminates June  
171 30, 2013.

172 Section 3. This act shall take effect July 1, 2012.