LEGISLATIVE ACTION House Senate Comm: RS 02/09/2016

The Committee on Finance and Tax (Simpson) recommended the following:

Senate Amendment (with title amendment)

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Between lines 556 and 557

insert:

Section 2. Subsection (5) of section 153.03, Florida Statutes, is amended to read:

153.03 General grant of power.—Any of the several counties of the state which may hereafter come under the provisions of this chapter as hereinafter provided is hereby authorized and empowered:

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(5) To acquire in the name of the county by gift, purchase as hereinafter provided, or by the exercise of the right of eminent domain, such lands and rights and interests therein, including lands under water and riparian rights, and to acquire such personal property as it may deem necessary for the efficient operation or for the extension of or the improvement of any facility purchased or constructed under the provisions of this chapter and to hold and dispose of all real and personal property under its control. + Counties may also exercise such eminent domain rights pursuant to an action initiated under s. 367.072. provided, However, that no county shall have the right to exercise the right of eminent domain over any such lands or rights or interests therein or any personal property owned by any municipality within the state nor to exercise such right with respect to any privately owned water supply system or sewage disposal system including without limitation ponds, streams and surface waters constituting a part thereof, provided any such system is primarily used, owned or operated by an industrial or manufacturing plant for its own use as a water supply system or in disposing of its industrial wastes.

Section 3. Section 367.072, Florida Statutes, is amended to read:

367.072 Petition to revoke certificate of authorization; condemnation.-The Legislature finds that it is in the public interest that water service be of good quality, be priced at a rate that is commensurate with the market and the quality of service provided, and be consistent with the standards set forth in this chapter. Furthermore, the Legislature declares that the residents of the state have a right to participate in the

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selection of their water service provider. Therefore, a utility's certificate of authorization to provide water service may be revoked if, after its customers file a petition to revoke a certificate of authorization with the commission, the commission finds that revocation is in the best interest of the customers in accordance with this section. Upon the filing of such petition, and owing to the demonstrated dissatisfaction with the water service received by such customers, the county where the customers are located also may deem it a public necessity that the utility be brought under county ownership, and may, upon its own election, begin condemnation by eminent domain proceedings against the utility. As used in this section, the term "customer" means an individual whose property is serviced by a single meter or a person whose name appears on the bill for a master meter.

- (1)(a) If the commission receives a letter from the customers of a utility stating their intent to file a petition pursuant to this section, the commission staff, within 10 days after receipt of the letter, shall notify the utility of the customers' intent to file a petition.
- (b) Commission staff shall send to the customers instructions regarding the information required on the petition and the subsequent process the commission will follow. The petition must be filed within 90 days after the receipt of the instructions. Commission staff shall review the petition and notify the customers within 10 days after receipt of the petition that the petition is sufficient for the commission to act or that additional information is necessary. The customers must file a cured petition within 30 days after receipt of the

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notice to cure and provide a copy of the petition to the utility. If the customers fail to file or refile a petition within the allotted time, the commission shall dismiss the petition with prejudice, and the customers may not file another petition for 1 year after the dismissal.

- (c) Upon receipt of a properly filed petition, the commission shall send to the county where the customers are located a copy of the petition and notify such county of its right to initiate condemnation by eminent domain proceedings pursuant to this section and s. 153.03.
 - (2) A petition must:
- (a) State with specificity each issue that customers have with the quality of water service, each time the issue was reported to the utility, and how long each issue has existed; and
- (b) Be signed by at least 65 percent of the customers of the service area covered under the certificate of authorization. A person whose name appears on the bill for a master meter may sign a petition if at least 65 percent of the customers, tenants, or unit owners served by the master meter support the petition, in which case documentation of such support must be included with the petition.
- (3) If the petition is in compliance with this section and the issues identified within the petition support a reasonable likelihood that the utility is failing to provide quality of water service, the utility shall thereafter be prohibited from filing a rate case until the commission has issued a final order addressing the issues identified in the petition. The utility shall use the following criteria in preparing a response to the

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commission, addressing the issues identified within the petition and defending the quality of its water service:

- (a) Federal and state primary water quality standards or secondary water quality standards pursuant to s. 367.0812; and
- (b) The relationship between the utility and its customers, including each complaint received regarding the quality of water service, the length of time each customer has been complaining about the service, the resolution of each complaint, and the time it has taken to address such complaints.
- (4) The commission shall evaluate the issues identified in the petition, the utility's response as to whether it is providing quality of water service, and any other factor the commission deems relevant.
 - (5) Based upon its evaluation, the commission shall:
- (a) Dismiss the petition, in which case the decision must be supported by clear and convincing evidence and is subject to ss. 120.569 and 120.57; or
- (b) Require the utility to take the necessary steps to correct the quality of water service issues identified in the petition. The commission shall set benchmarks within a timeframe, not to exceed 3 years, and may require the utility to provide interim reports describing its progress in meeting such benchmarks. The commission may extend the term 3 years for circumstances that delay the project which are not in the control of the utility, such as natural disasters and obtaining permits necessary for meeting such benchmarks; or
- (b) (c) Notwithstanding s. 367.045, revoke the utility's certificate of authorization, in which case, any condemnation proceedings initiated pursuant to this section must be dismissed



127 and a receiver must be appointed pursuant to s. 367.165 until a 128 sale of the utility system has been approved pursuant to s. 129 367.071.

(6) The commission shall adopt by rule the format of and requirements for a petition and may adopt other rules to administer this section.

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======== T I T L E A M E N D M E N T ========= 134 135 And the title is amended as follows:

Between lines 63 and 64

137 insert:

> amending s. 153.03, F.S.; clarifying that counties may initiate eminent domain over water utilities under certain circumstances; amending s. 367.072, F.S.; revising legislative findings; authorizing counties to initiate condemnation proceedings under certain circumstances; requiring the Florida Public Service Commission to notify counties of certain petitions; requiring dismissal of condemnation proceedings under certain circumstances;