

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Committee on Agriculture, Environment, and General Government

BILL: SB 7034

INTRODUCER: Environment and Natural Resources Committee

SUBJECT: Ratification of Rules of the Department of Environmental Protection

DATE: February 24, 2026

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
	<u>Barriero</u>	<u>Rogers</u>	<u>EN</u>	<u>EN Submitted as Comm. Bill/Fav</u>
1.	<u>Reagan</u>	<u>Betta</u>	<u>AEG</u>	<u>Pre-meeting</u>
2.	<u> </u>	<u> </u>	<u>RC</u>	<u> </u>

I. Summary:

SB 7034 ratifies the Department of Environmental Protection's (DEP) revisions to the minimum flows and levels (MFLs) for the Lower Santa Fe and Ichetucknee Rivers and Priority Springs within rule 62-42.300 of the Florida Administrative Code. MFLs are established at the limit at which further withdrawals would be significantly harmful to the water resources or ecology of the area. The proposed rule relies on conservation practices, monitoring, and offsets to protect the continued health and ecological value of the Lower Santa Fe and Ichetucknee Rivers and Priority Springs.

The Statement of Estimated Regulatory Costs developed by the DEP concluded that the proposed rules will likely increase costs to regulated entities by \$158,450,588 to \$163,836,003 in the aggregate within five years after the rules' implementation. Additionally, an estimated \$1,975,050 to \$11,712,476 in indirect costs are expected to be incurred by the Suwannee River Water Management District. This amount triggers the statutory requirement for the rule to be ratified by the Legislature before it may go into effect.

The bill takes effect upon becoming law.

II. Present Situation:

Minimum Flow and Minimum Water Levels (MFLs)

MFLs are established for waterbodies to prevent significant harm to the water resources or ecology of an area as a result of water withdrawals.¹ MFLs are typically determined based on evaluations of natural seasonal fluctuations in water flows or levels, nonconsumptive uses, and

¹ See section 373.042, F.S.; see also DEP, *Minimum Flows and Minimum Water Levels and Reservations*, <https://floridadep.gov/owper/water-policy/content/minimum-flows-and-minimum-water-levels-and-reservations> (last visited Jan. 26, 2026).

environmental values associated with coastal, estuarine, riverine, spring, aquatic, wetlands ecology, and other pertinent information associated with the water resource.²

While the Department of Environmental Protection (DEP) has the authority to adopt MFLs, the state's five water management districts (WMDs) have the primary responsibility for MFL adoption. The WMDs submit annual MFL priority lists and schedules to the DEP for the establishment of MFLs for surface watercourses, aquifers, and surface waters within the district.³ MFLs are calculated using the best information available⁴ and are considered rules by the WMDs, which are subject to chapter 120, F.S., challenges.⁵ MFLs are subject to independent scientific peer review at the election of the DEP, a WMD, or, if requested, by a third party.⁶ MFLs must be reevaluated periodically and revised as needed.⁷

MFLs must be established for each Outstanding Florida Spring (OFS).⁸ For OFSs identified on a WMD's priority list which have the potential to be affected by withdrawals in an adjacent district, the adjacent district and the DEP must collaboratively develop and implement a recovery or prevention strategy for an OFS not meeting an adopted MFL.⁹

For OFSs that fall below the adopted MFL or are projected to fall below the MFL within 20 years, the DEP or WMDs must implement a recovery or prevention strategy to ensure the MFL is maintained over the long-term.¹⁰ The recovery or prevention strategy must include:

- A listing of all specific projects identified for implementation of the plan;
- A priority listing of each project;
- The estimated cost and date of completion for each listed project;
- The source and amount of financial assistance to be made available by the WMD for each listed project, which may not be less than 25 percent of the total project cost unless a specific funding source or sources are identified which will provide more than 75 percent of the total project cost;¹¹
- An estimate of each listed project's benefit to an OFS; and
- An implementation plan designed with a target to achieve the adopted MFL no more than 20 years after the adoption of the recovery or prevention strategy.¹²

Agricultural producers who implement best management practices are presumed to be in compliance with the recovery or prevention strategy.¹³

² Fla. Admin. Code R. 62-40.473(1).

³ Section 373.042(3), F.S.

⁴ Section 373.042(1), F.S.

⁵ Section 373.042(5) and (7), F.S.

⁶ Section 373.042(6)(a), F.S.

⁷ Section 373.0421(5), F.S.

⁸ Section 373.042(2), F.S.

⁹ Section 373.042(2)(b), F.S.

¹⁰ DEP, *Minimum Flows and Minimum Water Levels and Reservations*, <https://floridadep.gov/owper/water-policy/content/minimum-flows-and-minimum-water-levels-and-reservations> (last visited Jan. 29, 2026); section 373.805(1), F.S.

¹¹ The Northwest Florida Water Management District and SRWMD are not required to meet the minimum financial assistance requirement. Section 373.805(4)(d), F.S.

¹² Section 373.805(4), F.S.

¹³ Section 373.0421(2), F.S.

Lower Santa Fe and Ichetucknee Rivers and Priority Springs

The Santa Fe River in north-central Florida is a second-order tributary to the Suwannee River.¹⁴ It is naturally divided into two sections: the Upper Santa Fe River, extending from its headwaters in Lake Santa Fe and the Santa Fe Swamp, and the Lower Santa Fe River, extending from the River Rise north of High Springs to its confluence with the Suwannee River.¹⁵ The Lower Santa Fe River is fed by the flow of at least 36 different named springs.¹⁶ With a discharge of over 200 million gallons per day, the Ichetucknee River is the largest tributary to the Santa Fe River.¹⁷

The Santa Fe River Basin is approximately 1,380 square miles and is underlain by limestone formations that comprise the Floridan aquifer or aquifer system.¹⁸ The area features several popular recreational areas containing springs, swallets, and river rises, including Ichetucknee Springs State Park, O'Leno State Park, River Rise State Park, and private venues.¹⁹ The river and its springs are important to the economy of at least seven counties in north-central Florida and serve as a significant natural resource through the ecosystem services they provide, including the maintenance of habitat for fish and wildlife.²⁰

Six springs within the basin have been designated as OFSs, including the Ichetucknee Springs Group and Columbia, Devil's Ear, Hornsby, Poe, and Treehouse Springs along the Santa Fe River.²¹ The Ichetucknee Springs Group is a first-magnitude spring complex, comprised of nine named and many unnamed springs that discharge into the Ichetucknee River. All but two of the nine springs are identified as Priority Springs.²²

Maintaining flows from the Priority Springs is essential to protecting water resource conditions and the ecological values of the springs, as well as the Lower Santa Fe River and Ichetucknee River downstream.²³ However, historical flow records over more than 90 years have shown a decline in flow for the Ichetucknee River and springs of roughly 10-20 percent. Additionally, nitrate-nitrogen concentrations have increased over the past two decades, and while the Ichetucknee River and springs continue to be well-vegetated with native plant species, there has been a marked decrease in the diversity of those species over time.²⁴

¹⁴ Santa Fe River Basin Springs Working Group and the Howard T. Odum Florida Springs Institute, *Santa Fe Springs Restoration Plan*, 7 (2012), available at <https://floridaspringsinstitute.org/wp-content/uploads/2018/07/SFS-RAP.pdf>.

¹⁵ *Id.*

¹⁶ *Id.* at 8.

¹⁷ DEP, *Florida State Park: When the masses meet the grasses*, <https://www.floridastateparks.org/learn/when-masses-meet-grasses> (last visited Jan. 30, 2026); Florida Springs Institute, *Santa Fe River and Springs: Environmental Analysis*, 5 (2021), available at https://floridaspringsinstitute.org/wp-content/uploads/2021/03/Santa-Fe-River-and-Springs-Environmental-Analysis_Final-rev1-ZH-Update.pdf.

¹⁸ Florida Springs Institute, *Santa Fe Springs Restoration Plan*, at 8; SRWMD, *Minimum flows and minimum water levels re-evaluation for the Lower Santa Fe and Ichetucknee Rivers and Priority Springs*, 2 (2021), available at <https://www.mysuwanneeriver.com/DocumentCenter/View/17834/LSFIR-MFL-Report-Final>.

¹⁹ SRWMD, *MFLs re-evaluation for the Lower Santa Fe and Ichetucknee Rivers and Priority Springs* at 3.

²⁰ See Florida Springs Institute, *Santa Fe Springs Restoration Plan* at 2.

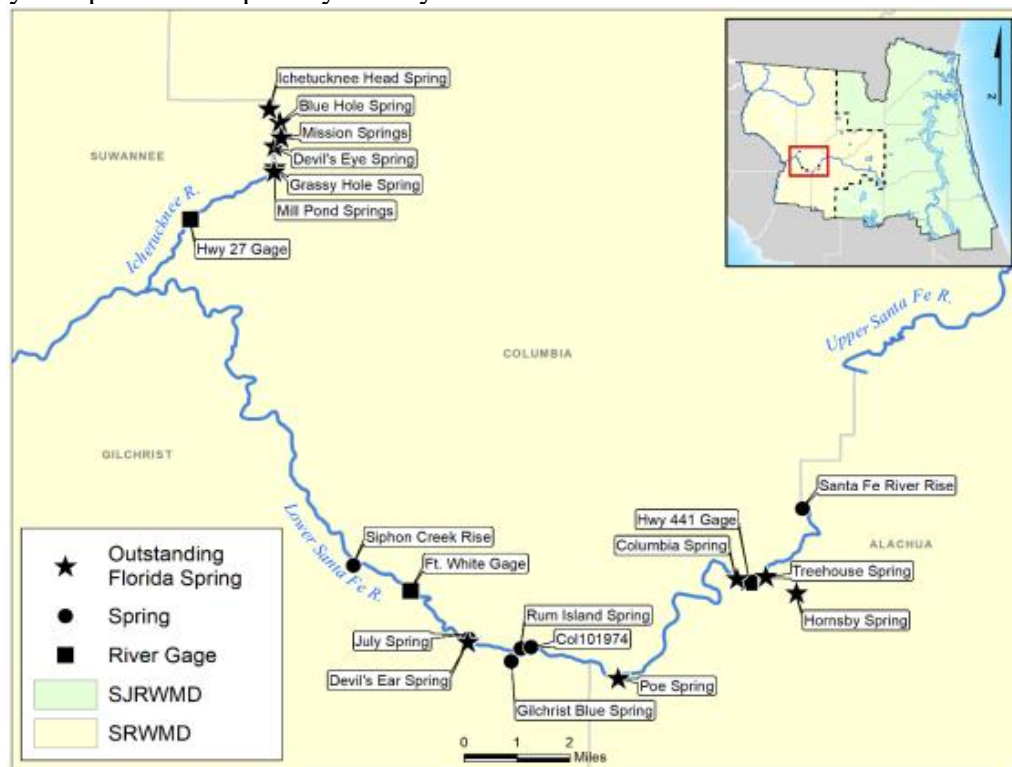
²¹ SRWMD, *MFLs re-evaluation for the Lower Santa Fe and Ichetucknee Rivers and Priority Springs* at 3.

²² *Id.*

²³ *Id.* at 119.

²⁴ Florida Springs Institute, *Santa Fe River and Springs: Environmental Analysis* at 5.

In 2013, the Suwannee River Water Management District (SRWMD) concluded that excessive flow reductions in the Lower Santa Fe and Ichetucknee Rivers and associated Priority Springs (LSFIR) were beyond the point of “significant harm” and that these waterbodies required a recovery strategy.²⁵ Accordingly, the SRWMD governing board requested that the DEP adopt MFLs for the LSFIR due to the potential for impacts associated with water withdrawals in both the SRWMD and the St. Johns River Water Management District (SJRWMD).²⁶ At that time, the LSFIR was determined to be in recovery at both of the two MFL compliance points, and a recovery strategy was approved by the SRWMD and SJRWMD governing boards with regulatory components adopted by rule by the DEP in June 2015.²⁷



*Santa Fe and Ichetucknee Rivers and Priority Springs*²⁸

On December 2, 2019, the DEP published a Notice of Rule Development to reevaluate the 2015 LSFIR MFLs.²⁹ The most recent status assessment determined that the reevaluated MFLs in the proposed rule are not being met at two of the three identified compliance points. Accordingly, development of a prevention or recovery strategy was necessary.³⁰ The revised rules and implementation strategy are discussed in the Effect of Proposed Changes section below.

²⁵ *Id.*; SRWMD, *Recovery Strategy: Lower Santa Fe River Basin*, 1 (2014), available at <https://srwmd.org/DocumentCenter/View/9116/Lower-Santa-Fe-and-Ichetucknee-River-Recovery-Strategy?bidId=>.

²⁶ DEP, *SERC: Rule 62-42.300, F.A.C.: Attachment A*, 6 (2025), available at <https://floridadep.gov/owper/water-policy/documents/attachment-lsfir-serc-summary-serc-economic-assessment>.

²⁷ *Id.*

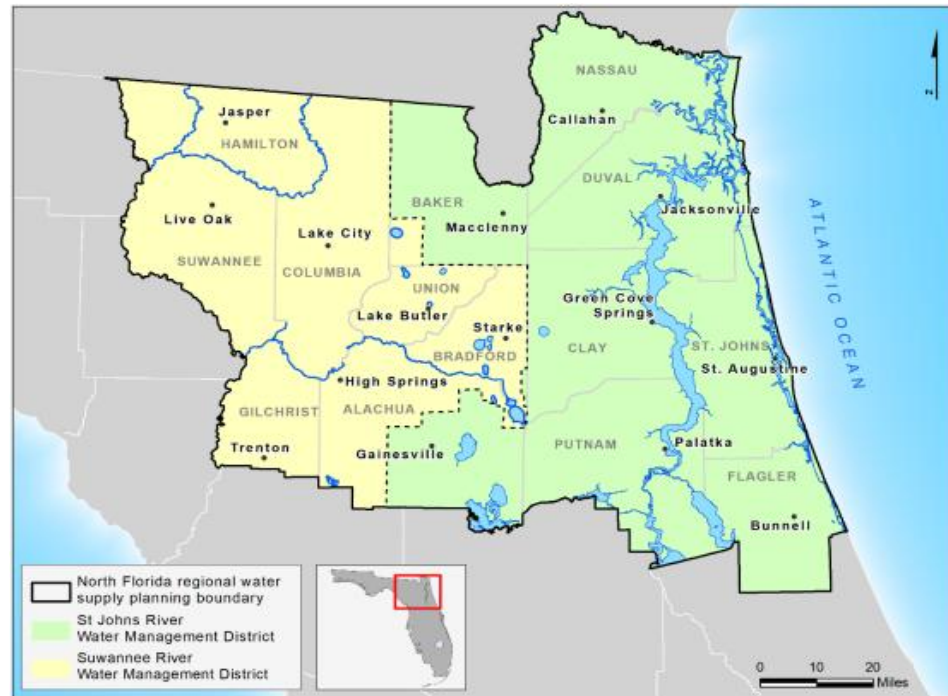
²⁸ North Florida Regional Water Supply Partnership, *2025 Implementation Strategy for the Lower Santa Fe and Ichetucknee Rivers and priority springs*, 5 (2025), available at <https://www.northfloridawater.com/2025implementationstrategy.html> (depicting map).

²⁹ *Id.* at 7.

³⁰ Section 373.0421(2), F.S.

North Florida Regional Water Supply Partnership (NFRWSP)

The NFRWSP was established in 2011 through a formal interagency agreement executed by the DEP, SJRWMD, and SRWMD.³¹ The NFRWSP planning area covers more than 8,000 square miles and includes 14 counties: Alachua, Baker, Bradford, Clay, Columbia, Duval, Flagler, Gilchrist, Hamilton, Nassau, Putnam, St. Johns, Suwannee, and Union.³²



NFRWSP Area³³

The purpose of the NFRWSP is to protect natural resources and water supplies in North Florida through collaborative planning, scientific-tool development, and related efforts.³⁴ A central product of the NFRWSP is the North Florida Regional Water Supply Plan, which assesses current and projected water demands and identifies projects, water conservation measures, and other strategies to meet future demands while avoiding unacceptable water resource impacts.³⁵ Such projects include the use of reclaimed water to offset potable use or groundwater recharge to increase the amount of water in an aquifer to help offset declines caused by withdrawals.³⁶

³¹ SJRWMD and SRWMD, *2023 North Florida Regional Water Supply Plan (2020-2045)*, 18 (2023), available at https://aws.sjrwmd.com/NFRWSP/watersupplyplan/documents/final/2023_NFRWSP_and_Associated_Appendices_Final_20230212.pdf

³² *Id.*

³³ NFRWSP, *2025 Implementation Strategy for the Lower Santa Fe and Ichetucknee Rivers and priority springs*, 6 (2025), available at <https://www.northfloridawater.com/2025implementationstrategy.html> (depicting map).

³⁴ SJRWMD and SRWMD, *2023 North Florida Regional Water Supply Plan* at 19.

³⁵ *Id.* at 22.

³⁶ *Id.* at 84, 87. For example, one project identified in the 2023 plan is the Black Creek Water Resource Development Project in Clay County, which is designed to recharge of the Upper Floridan aquifer and has the potential to increase flows in the Lower Santa Fe and Ichetucknee Rivers. *Id.* at 84.

According to the latest water supply plan published in 2023, total water demand within the NFRWSP area is projected to increase from 530 million gallons per day (mgd) in 2015 to 698 mgd by 2045, a 32 percent increase.³⁷ The NFRWSP concluded that fresh groundwater alone cannot meet this projected increase in demand without causing unacceptable impacts to water resources.³⁸

Since approval of the previous regional water supply plan in 2017, participating agencies and stakeholders have implemented approximately 1,294 cost-share water supply and conservation projects through 2022, an investment of about \$146 million that contributed to the availability or conservation of approximately 89.1 mgd of water within the NFRWSP area.³⁹ The 2023 plan identifies 160 mgd of estimated benefit from water supply development, water resource development, and water conservation project options to offset the projected increase in groundwater demand of approximately 135 mgd by 2045.⁴⁰

Legislative Ratification

A rule is subject to legislative ratification if it:

- Has an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within five years after the implementation of the rule;
- Has an adverse impact on business competitiveness, including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets, productivity, or innovation in excess of \$1 million in the aggregate within five years after the implementation of the rule; or
- Increases regulatory costs, including any transactional costs, in excess of \$1 million in the aggregate within five years after the implementation of the rule.⁴¹

If a rule requires ratification by the Legislature, the rule must be submitted to the President of the Senate and Speaker of the House of Representatives no later than 30 days prior to the regular legislative session. The rule may not go into effect until it is ratified by the Legislature.⁴²

Statement of Estimated Regulatory Costs Requirements

A statement of estimated regulatory costs (SERC) is an analysis prepared by an agency before the adoption, amendment, or repeal of a rule other than an emergency rule. A SERC must be prepared by an agency for a proposed rule that:

- Will have an adverse impact on small businesses; or

³⁷ *Id.* at 26. This includes groundwater, surface water, and alternative water sources. *Id.* at 2.

³⁸ *Id.* at 2.

³⁹ *Id.* at 75.

⁴⁰ *Id.* at 4, 101.

⁴¹ Section 120.541(2)(a), F.S. “Transactional costs” re direct costs that are readily ascertainable by the agency based upon standard business practices, and may include, among other things: filing fees; necessary equipment, operations, or procedures; labor and benefits; capital expenditures; professional services; monitoring and reporting; reduced sales or other revenue. Section 120.541(2)(d), F.S.

⁴² Section 120.541(3), F.S.

- Is likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in the state within one year after the implementation of the rule.⁴³

A SERC must include:

- An economic analysis showing whether the rule exceeds the thresholds requiring legislative ratification;
- A good faith estimate of the number and types of individuals and entities likely to be required to comply with the rule, and a general description of the types of individuals likely to be affected by the rule;
- A good faith estimate of the cost to the agency, and to other state and local government entities, of implementing and enforcing the proposed rule, including anticipated effects on state or local revenues;
- A good faith estimate of the transactional costs (direct business costs) likely to be incurred by individuals and entities required to comply with the requirements of the rule;
- An analysis of the impact on small businesses, small counties, and small cities; and
- A description of regulatory alternatives submitted to the agency and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule.⁴⁴

SERC for Rule 62-300, F.A.C.

The DEP determined that a SERC was required for the revisions to rule 62-42.300 of the Florida Administrative Code and prepared one in advance of rule adoption.⁴⁵ The DEP estimates the revised rule will increase regulatory costs, including transactional costs, by up to \$163.8 million in the aggregate within five years of implementation.⁴⁶ A summary of these costs is provided in the table below.⁴⁷

Summary of Costs to Regulated Entities⁴⁸

Rule Citation	Topic	SERC Total Estimated Cost
62-42.300(4), F.A.C.	Private residential landscape irrigation well water uses	\$2,540,806–\$4,393,906
62-42.300(5), F.A.C.	Metering and Monitoring Requirements	\$1,136,818–\$4,669,133
62-42.300(6), F.A.C.	Water Conservation Requirements	\$12,772,964
62-42.300(7), F.A.C.	Offset Requirements ⁴⁹	\$142,000,000
TOTAL		\$158,450,588–\$163,836,003

⁴³ Section 120.541(3)(b)1., F.S.

⁴⁴ Section 120.541(2), F.S.

⁴⁵ See DEP, *SERC: Rule 62-42.300, F.A.C. (2025)*, available at <https://floridadep.gov/owper/water-policy/documents/office-fiscal-accountability-regulatory-reform-serc-form-rule-62-42300>.

⁴⁶ *Id.* at 4.

⁴⁷ See *id.* at 4-5.

⁴⁸ For agricultural producers, section 373.0421, F.S. (2025), provides an alternative means for compliance. The costs associated with that statutorily-established alternative are not included in this SERC. *Id.* at 4.

⁴⁹ The total estimated cost for the “Offset Requirements” includes the completion of a large-scale regional water recharge project, which will take place over an estimated 13-year time period. In the first five years following rule adoption, \$142 million is the estimated expenditure for the project, which includes preconstruction activities, such as permitting and design and land acquisition, and some initial construction activities. The total estimated project cost is \$1.1 billion. *Id.*

Additionally, an estimated \$1,975,050 to \$11,712,476 in indirect costs are expected to be incurred by the SRWMD within the first five years.⁵⁰

The proposed rules and associated costs will be discussed in the Effect of Proposed Changes section below.

III. Effect of Proposed Changes:

Section 1 ratifies the revised minimum flows and level (MFL) rule 62-42.300 of the Florida Administrative Code, titled “The Lower Santa Fe and Ichetucknee Rivers and Priority Springs,” as filed for adoption with the Department of State pursuant to the certification package dated December 31, 2025. The bill provides that this section serves no other purpose and may not be codified in the Florida Statutes. After this act becomes a law, its enactment and effective dates must be noted in the Florida Administrative Code, the Florida Administrative Register, or both, as appropriate. This section does not alter rulemaking authority delegated by prior law, does not constitute legislative preemption of or exception to any provision of law governing adoption or enforcement of the rule cited, and is intended to preserve the status of any cited rule as a rule under chapter 120, Florida Statutes. This section does not cure any rulemaking defect or preempt any challenge based on a lack of authority or a violation of the legal requirements governing adoption of any rule cited.

The costs associated with the revised rule stem from revisions to the MFLs for the Lower Santa Fe and Ichetucknee Rivers and Priority Springs and the implementation strategy to comply with those MFLs. The key components of the proposed rule and implementation strategy are discussed below. In total, the proposed rule may increase regulatory costs, including transactional costs, by \$158,450,588 to \$163,836,003.⁵¹

Proposed MFLs for the Lower Santa Fe and Ichetucknee Rivers and Priority Springs

The proposed revisions to rule 62-42.300 of the Florida Administrative Code replace the existing 2015 MFLs and establish the regulatory components of an implementation strategy to achieve the new limits.⁵² The implementation strategy will be administered by the St. Johns River Water Management District (SJRWMD) and the Suwannee River Water Management District (SRWMD) in the North Florida Regional Water Supply Partnership (NFRWSP) planning area.

As discussed in further detail below, the proposed rule provides new requirements related to private residential landscape irrigation, monitoring and reporting, water conservation, and offsetting impacts.

⁵⁰ DEP, *SERC: Rule 62-42.300, F.A.C.: Attachment A*, 4 (2025), available at <https://floridadep.gov/owper/water-policy/documents/attachment-lsfir-serc-summary-serc-economic-assessment>.

⁵¹ DEP, *SERC: Rule 62-42.300, F.A.C.: Attachment A* at 4.

⁵² *Id.* at 8. If the revised rules are not ratified, the 2015 MFL and recovery strategy will remain in place.

Private Residential Landscape Irrigation Requirements

Currently, private residential irrigation water use is authorized by a general permit. Uses authorized under such permits generally must abide by days of the week restrictions and other watering restrictions.⁵³

The proposed rule supersedes existing rules for certain users. If a residential home is supplied potable water by a utility, a general permit will not be authorized within the NFRWSP for a new well from the Floridan aquifer for irrigation after the effective date of the rule.⁵⁴ The use of water may be authorized through a No-Fee Noticed General Permit, which has a duration of 10 years and requires certification that the applicant has an irrigation system that includes leak detection and water conservation devices.⁵⁵

The estimated costs for the proposed private residential landscape irrigation requirements are between \$2,540,806 and \$4,393,906 (\$1,200 to \$2,100 per system).⁵⁶

Monitoring and Reporting Requirements

The proposed rule provides supplemental requirements for monitoring and reporting activities where they are not already in place.⁵⁷ Monitoring and reporting requirements are currently in effect in both the SJRWMD and SRWMD.⁵⁸ In the SJRWMD, the proposed rule does not impose any additional monitoring or reporting requirements beyond those already in effect. However, in the SRWMD, the proposed rule supplements existing district rules and would result in additional regulatory requirements for monitoring and reporting water use.⁵⁹

Currently, the SRWMD rules require monthly monitoring of wells eight inches or greater and surface water pumps with a cumulative intake diameter of six inches or greater, regardless of total permit allocation.⁶⁰ The proposed rule requires monitoring of all permitted wells and pumps authorized by an individual consumptive use permit.⁶¹ The timeline and type of monitoring required is handled differently based on permit allocation and when the authorized use began.⁶²

⁵³ See Fla. Admin. Code R. 40B-2.041(9)(d) and 40C-2.042(2)(a).

⁵⁴ DEP, *SERC: Rule 62-42.300, F.A.C.: Attachment A* at 9.

⁵⁵ *Id.*

⁵⁶ *Id.* at 24. These costs are incurred by homeowners who have public supply available but choose to install a well for irrigation and ensure that water conservation measures are implemented. The cost savings from not paying for water from the public supplier are presumed to be offset by the well installation. *Id.*

⁵⁷ *Id.* at 9.

⁵⁸ *Id.* at 10.

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ A consumptive use permit allows the holder to withdraw a specified amount of water from surface water and groundwater sources for reasonable and beneficial use. Consumptive use permits require water conservation to prevent wasteful uses, require the reuse of reclaimed water instead of higher-quality groundwater where appropriate, and set limits on the amount of water that can be withdrawn. South Florida Water Management District, *Consumptive Water Use Permits*, <https://www.sfwmd.gov/doing-business-with-us/permits/water-use-permits> (last visited Jan. 27, 2026).

⁶² DEP, *SERC: Rule 62-42.300, F.A.C.: Attachment A* at 10. New individual permits issued after the effective date of the proposed rule must comply with monitoring requirements before use begins. Existing individual permits issued prior to the effective date are generally required to comply within five years following a renewal or modification that does not increase allocation or add withdrawal points. Modifications or renewals of existing permits that add withdrawal points or increase authorized allocations earlier compliance timelines, depending on the nature of the modification.

Regarding reporting requirements, the SRWMD currently requires permittees to submit monthly water use data every six months for withdrawal points that are subject to monitoring (i.e., wells eight inches or greater, surface water pumps with intakes six inches or greater).⁶³ SRWMD rules currently do not incorporate standardized forms for reporting. The proposed rule prescribes the format for reporting. Specifically, the proposed rule requires monthly recording and biannual reporting of all permitted wells for permittees with total allocations of 100,000 gallons per day (gpd) or greater and annual reporting for permittees with total allocations less than or equal to 100,000 gpd. Additionally, flow meters and alternative methods must be validated for accuracy every 10 years using proposed forms incorporated into the proposed rule. In the SRWMD, this verification is a current requirement only for the withdrawal points currently requiring monitoring (i.e., wells 8 inches or greater, surface water pumps with intakes six inches or greater), and the SRWMD rules do not incorporate standardized forms for reporting.⁶⁴

The total cost to permittees for this regulatory measure is estimated to be between \$1,136,818 and \$4,669,133, which includes the cost of equipment installation, monitoring, and reporting.⁶⁵

Water Conservation Requirements

The proposed rule imposes different requirements for public water supply permittees, agricultural permittees, and permittees of other use types (i.e., landscape/recreation, commercial/industrial/institutional, and mining/dewatering). The total estimated cost of the proposed rule's water conservation requirements for all permittees is \$12,772,964.⁶⁶ The requirements and associated costs for each type of permittee are discussed in more detail below.⁶⁷

Public Water Supply: All public supply permittees are required to implement either a standard or goal-based water conservation plan, evaluate those plans, and provide the evaluations in the form of a report.⁶⁸ Water conservation plans are already required for permittees, but the proposed rule includes new components or minimum requirements that must be included.⁶⁹ The standard plan must include:

- A water conservation public education program;
- An outdoor water use reduction program;
- A rate structure promoting conservation;⁷⁰
- A water loss reduction program; and

⁶³ *Id.* at 11.

⁶⁴ *Id.*

⁶⁵ *Id.* at 26. To develop the cost for the monitoring requirements, the cost to install in-line flow meters is estimated to be \$5,000 per well, inclusive of the cost of equipment and installation. Based on SRWMD's current agricultural cost-share program, these devices are covered at 75 percent district cost share (which is funded by state grants), leaving the total estimated cost per well at \$1,250 for the producer. *Id.* at 24-25.

⁶⁶ *Id.* at 32.

⁶⁷ The proposed rule also provides an alternative means of compliance for agricultural producers who implement statutorily adopted best management practices. *Id.* at 15. See section 373.0421(2), F.S.

⁶⁸ DEP, *SERC: Rule 62-42.300, F.A.C.: Attachment A* at 11.

⁶⁹ *Id.* at 11.

⁷⁰ There are no changes in these requirements. However, the proposed rule conforms this language in SRWMD to how it is currently expressed in the SJRWMD rule, including the details of how the districts will assist the permittee or applicant. These amendments in SRWMD are not expected to create an additional regulatory burden. *Id.* at 12.

- An indoor water use conservation program.⁷¹

The proposed rule also includes four new requirements for Public Supply Water Conservation Plans:

- A goal for reducing residential per capita water use;⁷²
- For permittees with an allocation of 100,000 gpd or greater:
 - Annual verification of ongoing implementation of the water conservation plan and submittal of a Public Supply Annual Report; and
 - Submittal of an updated water conservation plan and a Public Supply Five-Year Water Conservation Report;
- For permittees with an allocation greater than 1 million gpd, include in the Public Supply Five-Year Water Conservation Report an analysis of the pre- and post-water use data to demonstrate the water savings associated with the implementation of the water conservation measures.⁷³

Public Water Supply permittees are estimated to incur total costs of \$10,769,636 to implement these water conservation requirements, including \$4,061,448 for reporting and \$6,708,188 for conservation measures.⁷⁴

Agricultural: Currently, all agricultural permittees are required to implement a district-approved water conservation plan.⁷⁵ Consistent with existing rules, the proposed rule requires these permittees to implement the best available water conservation measures for all irrigation systems installed and take reasonable actions to maintain that efficiency throughout the term of the permit.⁷⁶ The specific requirements depend on the size of the permit, based on allocation, and include:

- Irrigation system maintenance and evaluation: For permittees with allocations of 100,000 gpd or greater, the proposed rule requires maintenance of minimum distribution uniformity standards and submission of a Mobile Irrigation Lab evaluation or its equivalent to verify compliance.⁷⁷
- Water conservation measures: Consistent with existing rules, permittees with allocations exceeding 100,000 gpd must implement water conservation practices appropriate for field conditions. The proposed rule requires that this be accomplished to the maximum extent environmentally, economically, and technically feasible by using the highest efficiency options from a list of options provided in the proposed rule.⁷⁸

⁷¹ *Id.* at 12.

⁷² This is a new requirement. The proposed rule requires permittees or applicants to demonstrate achievement of, or progress toward, a residential per capita water use rate equal to the lower of 75 gallons per capita day or the permittee's five-year average prior to the rule's effective date, with interim per capita reduction targets as needed. Permittees must submit documentation explaining any failure to meet the goal or approved targets through the required five-year water conservation report. *Id.* at 13.

⁷³ *Id.* at 13.

⁷⁴ *Id.* at 30, 31.

⁷⁵ *Id.* at 14.

⁷⁶ *Id.*

⁷⁷ Evaluations must be submitted with permit renewals, certain modifications, or 10-year compliance reviews. Because Mobile Irrigation Labs are already required under current rules, this does not create a new regulatory cost. *Id.* at 14.

⁷⁸ *Id.*

- Reporting: Agricultural permittees with allocations greater than 100,000 gpd must verify ongoing implementation of conservation measures and submit an Agricultural Water Conservation Report with renewals, certain permit modifications, and 10-year compliance reviews. While existing rules require conservation information at renewal, the proposed rule expands reporting to additional permit actions and standardizes the reporting format.⁷⁹
- Small agricultural uses: For agricultural uses with allocations of 100,000 gpd or less, excluding aquaculture, the proposed rule requires implementation of water conservation measures and consideration of a specified list of practices.⁸⁰

Agricultural permittees are estimated to incur total costs of \$256,620 to implement these water conservation requirements, including \$81,120 for reporting and \$175,500 for conservation measures.⁸¹

Other Use Types: The proposed rule requires permittees for other use types (i.e., landscape/recreation, commercial/industrial/institutional, and mining/dewatering) to consider implementation of water conservation practices for all processes and components of water use that are environmentally, technically, and economically feasible.⁸² Although water conservation is already required under existing rules, the proposed rule adds specificity by identifying additional elements to be considered, including:

- For landscape/recreation: limiting daytime water use, leak detection and repair programs, and use of irrigation schedules and water-conserving devices;
- For commercial/industrial/institutional and mining/dewatering: water-efficient irrigation for drought-tolerant landscaping.⁸³

The proposed rule also requires permittees in these use categories with allocations greater than 100,000 gpd to evaluate and update their water conservation plans and submit a standardized water conservation report upon permit renewal, certain permit modifications, and 10-year compliance reviews.⁸⁴

These permittees are estimated to incur \$1,746,708 in costs associated with reporting requirements within five years of rule implementation.⁸⁵ Implementation of other water conservation measures does not result in additional costs, as all permittees are already required to implement such measures and submit a water conservation plan.⁸⁶

Offset Requirements

The proposed rule requires the offset of impacts as a permit condition for specific individual permit applicants.⁸⁷ These offset requirements are based on the quantity of water needed to meet

⁷⁹ *Id.* at 14-15.

⁸⁰ This builds on existing SJRWMD and SRWMD requirements and does not add new reporting obligations for small agricultural uses. *Id.* at 15.

⁸¹ *Id.* at 30, 31.

⁸² *Id.* at 15.

⁸³ *Id.*

⁸⁴ *Id.* at 15-16.

⁸⁵ *Id.* at 30.

⁸⁶ *Id.* at 32.

⁸⁷ *Id.* at 16.

demands in 2025, referred to the “Demonstrated 2025 Demand.” For new permits, applicants whose requested withdrawals that may impact an MFL compliance point must continue to provide reasonable assurance that the potential impact will be eliminated or offset before withdrawals begin, consistent with existing rule requirements. For permit renewals or modifications, applications that may impact an MFL compliance point must include reasonable assurance of elimination or offset for the portion of the requested allocation that exceeds the applicant’s Demonstrated 2025 Demand.⁸⁸ For existing permits, uses that do not exceed the Demonstrated 2025 Demand are considered consistent with the implementation strategy. Uses with projected demands above that level must, within five years of the proposed rule’s effective date, identify a project to eliminate or offset the excess.⁸⁹ The proposed rule provides means by which permittees may participate in a regional project to offset their growth.⁹⁰

For permittees whose demand is not calculated based on projected growth, such as agriculture, no offset is required and no action will be taken to reduce the permittee’s allocation.⁹¹ For permittees whose demand is calculated based on projected population growth, such as public supply, the permittee must address any future impacts associated with that growth.⁹² Impacts may be offset by financial contribution, in-kind services, or assisting in cooperation and maintenance of a regional or local project.⁹³

The cost of the proposed rule’s offset requirements are estimated to be \$142 million within the first five years of the rule’s implementation, which includes completion of a large-scale regional water recharge project (Water First North Florida) over an estimated 13-year period.⁹⁴ While other projects may be implemented at the election of individual permittees, the DEP included the Water First North Florida project cost as the sole offset cost as the project is anticipated to address the impacts associated with all water uses.⁹⁵

Regulatory Cost to Agencies

The proposed rule will require the SJRWMD and SRWMD to incorporate the proposed regulatory requirements into all water use permits issued in the NFRWSP area.⁹⁶ The SJRWMD and SRWMD will provide financial assistance for projects and measures identified in the implementation strategy.⁹⁷ The SJRWMD is required to provide at least 25 percent of total

⁸⁸ Existing rules require offsets for amounts exceeding the current permitted allocation. Therefore, the requirement to eliminate or offset impacts for renewals or modifications is not entirely new, but the benchmark for determining the amount of offset that would be needed is a change from existing rule. *Id.*

⁸⁹ *Id.*

⁹⁰ *Id.* at 17.

⁹¹ *Id.* at 16-17.

⁹² *Id.* at 17.

⁹³ *Id.*

⁹⁴ *Id.* at 33. Water First North Florida is a planned 40 mgd project that will treat reclaimed water from JEA’s Buckman and Southwest water reclamation facilities through wetland systems, provide regional recharge to the Floridan aquifer, and, when fully implemented, has the potential to increase flows to the Lower Santa Fe and Ichetucknee rivers. The project is in the planning phase, with wetland treatment and recharge site investigations underway. Total estimated construction costs are approximately \$1.1 billion, excluding land acquisition, permitting, and operation and maintenance costs. *Id.* at 32-33.

⁹⁵ *Id.* at 33.

⁹⁶ *Id.*

⁹⁷ *Id.* See section 373.805(4)(d), F.S.

project costs unless other funding sources provide more than 75 percent.⁹⁸ The SRWMD is not subject to this requirement.⁹⁹

The SJRWMD intends to implement the proposed rule with existing staff and meet its statutory requirements through participation in the Black Creek Water Resource Development Project, the Water First North Florida project, and the Florida Water Star Silver Plus water conservation project.¹⁰⁰ The SJRWMD's financial contribution to Water First North Florida will be limited to the share of impacts to the MFL compliance points resulting from water withdrawals in the SJRWMD region, estimated at \$100–125 million.¹⁰¹

The SRWMD has identified the potential need to expand their workforce by one full-time equivalent position for the first five years of the proposed rule's implementation.¹⁰² Additionally, the SRWMD's existing cost-share programs are anticipated to assist agricultural producers in implementing monitoring cost. The funding for these programs comes from state grant programs. The total estimated indirect cost to the SRWMD for the new position and cost-share programs is between \$1,975,050 and \$11,712,476.¹⁰³

Regulatory Costs to Small Cities, Small Counties, and Small Businesses

Small cities are estimated to incur total costs between \$1,545,415 and \$1,608,996 within the first five years of rule implementation.¹⁰⁴ These estimates are based on a review of existing permits and 2020 Census population data identifying small city permittees in the NFRWSP planning area.¹⁰⁵ Costs to the small cities will vary based on the permit allocation and type, and include the cost to implement the conservation requirements, including achieving per capita goals (for Public Supply permittees), implementing specific elements required in their water conservation plans, and reporting on the effectiveness of their water conservation plans.¹⁰⁶ Most costs are attributable to water conservation requirements applicable to Public Supply permits with allocations exceeding 100,000 gpd.¹⁰⁷

Small counties are estimated to incur total costs between \$191,746 and \$234,134 within the first five years of rule implementation.¹⁰⁸ Like small cities, these estimates are based on a review of existing permits and 2020 Census population data identifying small county permittees in the

⁹⁸ *Id.*

⁹⁹ *Id.*

¹⁰⁰ DEP, *SERC: Rule 62-42.300, F.A.C.: Attachment A* at 33, 34. Regarding Water First North Florida, SJRWMD intends to participate by contributing to the planning, design, construction and/or operation and maintenance of the project. In addition to direct cost-share, SJRWMD may meet the financial assistance requirement through land acquisition or in-kind services. *Id.* at 34.

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ *Id.* at 37. "Small city" means any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census. *Id.* at 35; section 120.52(18), F.S.

¹⁰⁵ DEP, *SERC: Rule 62-42.300, F.A.C.: Attachment A* at 36-37.

¹⁰⁶ *Id.* at 37.

¹⁰⁷ *Id.*

¹⁰⁸ *Id.* at 38. "Small county" means any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census. *Id.* at 35; section 120.52(19), F.S.

NFRWSP planning area.¹⁰⁹ Only three small county Public Supply permits exceed 100,000 gpd and are subject to water conservation requirements, resulting in an estimated cost of \$178,104.¹¹⁰ Additional costs to small counties are attributable to monitoring and reporting requirements, based on their proportionate share of affected permittees.¹¹¹

Small businesses are estimated to incur total costs between \$3,272,885 and \$6,628,584 within the first five years of rule implementation.¹¹² The proposed rule would only directly impact small businesses that are water use permittees or applicants in the NFRWSP planning area.¹¹³ Below is a table summarizing the regulatory costs from the proposed water conservation requirements.

Estimated Number of Small Business Permittees by Use Type and Regulatory Costs from Conservation Requirements¹¹⁴

Water Use Type	Total Number of Permittees with a Regulatory Cost (a)	Water Conservation Reporting Cost per Permittee (b)	Total Regulatory Cost per Use Type (a x b)
Agricultural	669	\$120	\$80,280
Commercial/Industrial/Institutional	30	\$12,388	\$371,640
Landscape/Recreation	81	\$12,388	\$1,003,428
Mining/Dewatering	10	\$12,388	\$123,880
Public Supply ¹¹⁵	10	\$59,368	\$613,680

In addition, small businesses are estimated to incur \$1,079,977–\$4,435,676 in costs related to the proposed rule’s monitoring and reporting requirements.¹¹⁶

Other costs that could be incurred by small businesses, small cities, and small counties, such as participation in a water conservation project, are based on the needs and decisions of the permittees and are not known on an individual basis at this time.¹¹⁷

Section 2 provides that the bill takes effect upon becoming a law.

¹⁰⁹ DEP, *SERC: Rule 62-42.300, F.A.C.: Attachment A* at 38.

¹¹⁰ *Id.*

¹¹¹ *Id.*

¹¹² *Id.* at 36. “Small business” means an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As applicable to sole proprietorships, the \$5 million net worth requirement includes both personal and business investments. *Id.* at 34-35; section 288.703(6), F.S.

¹¹³ DEP, *SERC: Rule 62-42.300, F.A.C.: Attachment A* at 35.

¹¹⁴ *Id.* at 36.

¹¹⁵ The cost for Public Supply is the combined cost of the five-year cost for the Public Supply Annual Report (\$46,980) and the one-time cost for the Public Supply Five-Year Water Conservation Report (\$12,388). There is one small business Public Supply permit with an allocation greater than 1 mgd, which means it would also have an additional \$20,000 reporting cost for implementing the data analytics requirements. This \$20,000 is added to the total for Public Supply. *Id.* at 36.

¹¹⁶ *Id.* at 36.

¹¹⁷ *Id.* at 36, 38.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

There will be a negative fiscal impact on the private sector. The estimated costs for the proposed private residential landscape irrigation requirements are between \$2,540,806 and \$4,393,906 (\$1,200 to \$2,100 per system) within five years of rule implementation. Grants may be available to offset some of these costs; however, such offsets were not considered in the Statement of Estimated Regulatory Cost.

There will also be an estimated negative fiscal impact on the private sector of \$12,772,964 within five years of implementation for the new water conservation requirements on public water supply, agricultural water use, and other use types. Other impacts to small businesses are discussed on pages 14-15.

C. Government Sector Impact:

The additional monitoring and reporting requirements of the new rule is estimated to cost between \$1,136,818 and \$4,669,133 to the SRWMD within five years of rule implementation (the SJRWMD already meets these requirements). Other fiscal impacts to the St. Johns River Water Management District and the Suwannee River Water Management District are discussed on pages 13-14 of this analysis. Impacts to small cities and counties are discussed on pages 14-15.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

The bill creates an undesignated section of Florida law.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.