

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 1512

SPONSOR: Natural Resources Committee and Senator Bronson

SUBJECT: Water Supply Policy

DATE: April 24, 2001                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Branning	Voigt	NR	Favorable/CS
2.	_____	_____	AGG	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

This bill provides that additional consideration be given to certain consumptive use permit applicants who implement certain water conservation practices. Requires the Department of Agriculture and Consumer Services (DACS) to develop a cost share program for irrigation system retrofit and application of mobile irrigation laboratory evaluations for water conservation. Requires DACS to develop and implement voluntary interim measures or best management practices for increased efficiencies in the utilization and management of water for agricultural production. Requires the South Florida Water Management District, the St. Johns River Water Management District, and the Southwest Florida Water Management District to develop and participate in financing at least one public-private alternative water supply project in fiscal year 2001-2002. Allows certain water utilities to recover certain alternative water supply costs through their rate structures.

This bill amends s. 373.1961, F.S., and creates ss. 373.621 and 570.081, F.S.

**II. Present Situation:**

The 1972 Florida Water Resources Act (ch. 373, F.S.) created the current administrative system for managing and regulating the state's water resources. At the state level, the Department of Environmental Protection (DEP) is responsible for the administration of state water policy. However, s. 373.016(5), F.S., directs the DEP to delegate to the water management districts, the maximum extent practicable, the exercise of its authority under ch. 373, F.S. Chapter 373, F.S., is divided into five parts, dealing with water planning, water use permitting, water well regulation, management and storage of surface waters, and water management district finance and taxation.

One of the most significant provisions of the Water Resources Act is the so-called “three-prong test” used evaluating application for consumptive use permits. Applicants must establish that the proposed use of water:

- Is a reasonable-beneficial use (s. 373.019, F.S., defines “reasonable-beneficial use” as the use of water in such quantity as is necessary for economic and efficient utilization for a purpose and in a manner which is both reasonable and consistent with the public interest);
- Will not interfere with any presently existing legal use of water; and
- Is consistent with the public interest.

The 1997 Legislature enacted ch. 97-160, Laws of Florida, addressing water resources and water supply development to ensure the availability of water supply for all existing and future reasonable-beneficial uses. The water management districts were assigned primary responsibility for water resource development, which refers to regional water resource management strategies and implementation programs; the construction, operation, and maintenance of major public facilities projects; and related technical assistance to local governments and water utilities. Local governments, water utilities, and regional water supply authorities are responsible for water supply development, which refers more specifically to facilities for water collection, production, treatment, transmission or distribution for sale, resale, or end use. The 1997 legislation also addressed regional water supply planning, requiring the water management districts to identify those regions within their respective boundaries where water shortages were likely to occur within the next 20 years. For those regions identified, the districts are required to develop regional water supply plans that include:

- A water supply development component;
- A water resource development component;
- A recovery and prevention strategy for restoring and maintaining established minimum flows and levels;
- Applicable technical data and information from the district water management plan; and
- Establishment of minimum flows and levels within the region.

### **III. Effect of Proposed Changes:**

This bill creates s. 373.621, F.S., which recognizes the significant value of water conservation in the protection and efficient use of water resources. Accordingly, additional consideration in the administration of ss. 373.223, 373.233, and 373.236, F.S., (relating to the condition of a consumptive use permit, competing applications for a consumptive use permit, and duration of consumptive use permits, respectively) are to be given to applicants who implement certain water conservation practices.

Section 570.081, F.S., is created to require the Department of Agriculture and Consumer Services (DACS) to establish an agricultural water conservation program which includes the following:

- A cost share program, coordinated where appropriate with the U.S. Department of Agriculture and other federal, state, regional, and local agencies, for irrigation system

retrofit and application of mobile irrigation laboratory evaluations for water conservation and where applicable for water quality improvement.

- The development and implementation of voluntary interim measures or best management practices, adopted by rule, which provide for increased efficiencies in the utilization and management of water for agriculture production. In the process of developing and adopting rules for interim measures or best management practices, the DACS shall consult with the DEP and the water management districts. The rules may include a system to assure the implementation of the practices. As new information regarding efficient agricultural water use and management becomes available, the DACS shall reevaluate and revise as needed the interim measures or best management practices. The interim measures or best management practices may include irrigation retrofit, implementation of mobile irrigation laboratory evaluations and recommendations, water resource augmentation, and integrated water management systems for drought management and flood control and should, to the maximum extent practicable, be designed to qualify for regulatory incentives and other incentives, as determined by the agency having applicable statutory authority.
- Provision of assistance to the water management districts in the development and implementation of a consistent, to the extent practicable, methodology for the efficient allocation of water for agriculture irrigation.

The bill also provides that the South Florida Water Management District, the St. Johns River Water Management District, and the Southwest Florida Water Management District shall each develop and participate in financing at least one public-private alternative water supply project which expands the current availability of alternative water supplies. Funding for the selected project shall commence in fiscal year 2001-2002. The selected project shall meet the criteria in s.373.0831(4)(a), F.S., which specifies that water supply development projects are consistent with the regional water supply plans and meet certain criteria. Further, projects which bring about replacement of existing sources in order to help implement a minimum flow or level shall be given first consideration for funding.

Section 373.1961, F.S., is amended to provide that water utilities under the Public Service Commission's jurisdiction that construct alternative water supply facilities, shall be allowed to recover the full, prudently incurred cost of such facilities through their rate structure. Such alternative water supply facilities includes, but is not limited to, aquifer storage and recovery wells. Every component of an alternative water supply facility constructed by an investor-owned utility shall be recovered in current rates.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Agricultural water users who implement certain voluntary interim measures or best management practices may receive additional consideration when applying for consumptive use permits. The bill's stated intent to also afford other water users similar considerations when implementing certain water conservation measures as determined by the DEP or a water management district.

Water utilities under the jurisdiction of the Public Service Commission that construct alternative water supply facilities, may recover their costs for such facilities through their rate structure and the rates charged to consumers.

**C. Government Sector Impact:**

The Department of Agriculture and Consumer Services would incur certain costs in developing the cost share program for irrigation system retrofit and the mobile irrigation laboratory evaluations. Also, there is an indeterminable cost associated with the development of rules for the implementation of voluntary interim measures or best management practices. The bill does not provide any addition fiscal or staff resources to the department for these purposes.

The three largest water management district in the state are required to develop and participate in financing at least one public-private alternative water supply project in fiscal year 2001-2002. Currently, the three district involved are already participating in the financing of alternative water supply projects.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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