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.)

Prepared By: Environmental Preservation Committee

BILL: CS/SB 1416

INTRODUCER: The Committee on Environmental Preservation and Senator Dockery

SUBJECT: Lake Okeechobee Restoration Programs

DATE: April 21, 2006 REVISED: _____ _____ _____ _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Baum	Kiger	EP	**Fav/CS**
2.			AG	
3.			GA	
4.			RC	
5.				
6.				

I. Summary:

The committee substitute provides that the South Florida Water Management district shall develop recommendations on the feasibility of above ground reservoirs to be constructed, operated, and maintained for the storage of high level discharges from Lake Okeechobee to the Caloosahatchee River. In developing recommendations, the district shall consider infrastructure that is:

- Necessary to transfer water being discharged from Lake Okeechobee to a reservoir.
- Necessary to construct, operate, and maintain water production and transmission facilities for the purpose of supplying water for multiple uses to the surrounding areas.

The committee substitute also provides that the district shall identify state and local water resource development and water supply develop programs which encourage the development and use of alternative water supplies through partnership efforts.

The committee substitute would take effect upon becoming law.

The committee substitute amends section 373.196, F.S.

II. Present Situation:

Lake Okeechobee

Lake Okeechobee, the second largest freshwater lake in the continental United States, has a surface area of 730 square miles, an average depth of 8.6 feet, and a drainage basin that covers more than 4,600 square miles. Lake Okeechobee is used as a public and agricultural water supply source, and has natural system and recreational uses. Over the years, excessive phosphorus loads from farms surrounding the lake, harmful high and low water flows, and an

increased spread of exotic vegetation have all created significant water quality issues within the watershed. A 1999 report entitled the "Lake Okeechobee Action Plan" identified both watershed phosphorus loading and internal phosphorus loading as two of three major issues affecting the lake. In response, the 2000 Legislature enacted ch. 2000-130, Laws of Florida, to create the Lake Okeechobee Protection Program.

Lake Okeechobee Protection Program

The Lake Okeechobee Protection Program was created in 2000 to require that the South Florida Water Management District, the Department of Agriculture and Consumer Services, and the Department of Environmental Protection implement programs and projects that will restore the Lake and its watershed. The Program, established in s. 373.4595, F.S., consists of eight program components:

- The Lake Okeechobee Protection Plan, completed by the South Florida Water Management District in 2004, to implement phosphorus load reductions.
- The Lake Okeechobee Construction Project to improve the hydrology and water quality of Lake Okeechobee and the downstream receiving waters.
- The Lake Okeechobee Watershed Phosphorus Control Program to reduce phosphorus loading through improved management of phosphorus sources within the watershed.
- The Lake Okeechobee Water Research and Water Quality Monitoring Program.
- The Lake Okeechobee Exotic Species Control Program.
- The Lake Okeechobee Internal Phosphorus Management Program.
- Implementation of the Lake Okeechobee Protection Plan with joint establishment of funding priorities for projects and programs addressing the highest sources of phosphorous loading with the greatest potential for phosphorus load reductions.

The Department of Agriculture & Consumer Services (DACS), the Department of Environmental Protection (DEP), and the South Florida Water Management District (SFWMD), also defined in statute as the coordinating agencies, are jointly responsible for implementing the Lake Okeechobee Protection Plan. The coordinating agencies are directed to jointly establish annual funding priorities and must assign the highest priority to programs and projects that address sources having the highest relative contribution to phosphorus loading and the greatest potential for phosphorus reduction.

Caloosahatchee River

The Caloosahatchee River and Estuary are located on the southwest coast of Florida. The Caloosahatchee River connects Lake Okeechobee to the Caloosahatchee Estuary. The river, which was originally a shallow meandering stream, has gone through numerous dredging and re-channeling projects over a long period of time which have drastically altered the hydrology of the river. In the early 1930s, locks and water control structures were constructed on the river. Some of the locks act as salinity barriers since the river is composed of fresh water, entering from Lake Okeechobee, and salt water as it empties into the Gulf of Mexico.

Alternative Water Supply

In 2005, Section 403.890, F.S., was created which established the Water Protection and Sustainability Funding Program. A component of this program is alternative water supply

development. The program dedicates, at a minimum, $60 million in annual funding for alternative water supply development. Additional provisions were also created which direct how the annual revenue was to be distributed.

For Fiscal Year 2005 – 2006

For this fiscal year two funding sources were established. CS/CS/CS/SB 360, relating to growth management contains two provisions that directed funds to the Water Protection and Sustainability Trust Fund for the purposes of funding programs contained in this bill. $100 million was annually allocated from documentary stamp tax revenues and an additional $100 million was allocated from general revenue.

The first $100 million for the implementation of an alternative water supply grant program. These proceeds shall be distributed to the water management districts in the following manner:

30 percent ($30 million) to South Florida
25 percent ($25 million) to Southwest Florida
25 percent ($25 million) to St. Johns
10 percent ($10 million) to Suwannee River
10 percent ($10 million) to Northwest Florida

The funds provided by the state under this program shall have a 60 percent match requirement to be provided by the applicant.

The water management districts are directed to adopt an annual list of projects eligible for funding. Priority must be given to projects that accomplish the following:

Reduce consumption of traditional supplies.
Reduce competition among existing or future users.
Promote regional solutions or are part of existing regional authorities.
Have a significant reuse component.

50 percent ($50million) for the implementation of best management practices and capital costs for the implementation of the total maximum daily loads program (TMDL's).

25 percent ($25 million) for the implementation of surface water improvement and management programs (SWIM) and surface water restoration activities in water management district designated priority water bodies.

25 percent ($25 million) to the Department of Environmental Protection to augment current funding for the state sponsored Disadvantaged Small Community Wastewater Grant Program.

For Fiscal Year 2006-2007 and Thereafter

Beginning in fiscal year 2006-2007 the funding formula was amended as follows.

- 60 percent for alternative water supplies
- 20 percent for TMDL's
- 10 percent for SWIM
- 10 percent for the disadvantaged wastewater grant program

The actual funding level would depend on the amount of revenue deposited into the trust fund. At a minimum current legislation provides for a $100 million in recurring dollars.

A provision was also included that provides for all unspent funds to be returned to the trust fund and redistributed. This "sweep" of the programs will occur on June 30, 2007, and every two years thereafter.

III. Effect of Proposed Changes:

Section 373.196, F.S., is amended which provides that the South Florida Water Management district shall develop recommendations on the feasibility of above ground reservoirs to be constructed, operated, and maintained for the storage of high level discharges from Lake Okeechobee to the Caloosahatchee River. In developing recommendations, the district shall consider infrastructure that is:

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The committee substitute would take effect upon becoming law.

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:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.