

November 2005

Frequently Asked Questions About the Alternative Water Supply Funding Assistance Under the Water Protection and Sustainability Program (from a Local Government's Perspective)

Sections 373.196, 373.1961, and 403.890, F.S.

1. What kinds of water supply projects qualify for funding?

Answer: The new funding is for *alternative* water supply projects, defined in §373.019(1) as “saltwater; brackish surface and groundwater; surface water captured predominantly during wet-weather flows; sources made available through the addition of new storage capacity for surface or groundwater; water that has been reclaimed after one or more public supply, municipal, industrial, commercial, or agricultural uses; the downstream augmentation of water bodies with reclaimed water; stormwater; and any other water source that is designated as nontraditional for a water supply planning region in the applicable regional water supply plan.”

In most cases, the project should be included in the regional water supply plan of the water management district (WMD), although 20% of the funds may be allocated – at the discretion of each WMD – to projects that are not in the plan, but are consistent with its goals. Funds are not available for traditional water supply projects or for purchasing water from other entities or jurisdictions.

2. What aspects of alternative water supply projects qualify for state and district funds?

Answer: Direct financial assistance provided under the Water Protection and Sustainability Program (§373.1961(3)) is for construction only. The WMDs may, however, choose to fund some non-construction activities, such as feasibility studies, from other district programs related to water resource and supply development.

3. Are reimbursements available for water projects completed before passage of the new law?

Answer: Program funding is only available for new alternative water supply projects or new phases of projects already initiated. Projects must be approved for program funding by the WMD governing board before expenditures are made.

4. What permitting requirements apply to an alternative water supply project approved for program funding?

Answer: All applicable permitting requirements (e.g., those of state, regional and local agencies) normally applicable to alternative water supply projects will remain unchanged for projects funded under the new program. For additional information regarding WMD permitting requirements, please contact the WMD staff listed in the answer to Question 21 or see the appropriate district's website listed below:

<http://www.nwfwmd.state.fl.us/permits/permit.htm>
<http://www.srwmd.state.fl.us/services/permitting/default.htm>
<https://permitting.sjrwm.com/epermitting/jsp/start.jsp>
<http://www.swfwmd.state.fl.us/permits/>
<http://www.sfwmd.gov/site/index.php?id=25>

5. What action can a local government take to implement an alternative water supply project if it is not listed in the current regional water supply plan?

Answer: Local governments should get involved in WMD activities that are currently under way for updating the regional water supply plans (see cover sheet for how to become involved in that process). Local governments and water suppliers should work closely with the WMDs over the next several months to have proposed projects included in the regional water supply plans as they are updated. Alternatively, §373.1961(3)(h) provides that a district governing board *may* allocate up to 20% of the alternative water supply funding for “projects that are not identified or listed in the regional water supply plan but are consistent with the goals of the plan.”

6. The statutory deadline for updating the regional water supply plans is December 31, 2006. Can the water management districts award funds under the new program prior to that deadline?

Answer: Yes. The districts are moving forward expeditiously to complete their regional water supply plan updates. The St. Johns River WMD expects to complete its plan update by February 1, 2006. The South Florida WMD anticipates plan update approval in July 2006. The Northwest Florida WMD update is expected in October 2006 and The Southwest Florida WMD anticipates plan update approval in December 2006. Prior to completion of the plan updates, the districts will use the current regional water supply plans as the guide for selecting projects for funding.

7. Can a WMD's regional water supply plan be updated more frequently than once every five years to amend the list of alternative water supply projects?

Answer: Yes, if the WMD feels that additional projects need to be added, it may amend its regional water supply plan(s) as deemed necessary.

8. If a WMD updates its regional water supply plan more frequently than once every five years, does each update trigger the requirement for the local government to update its comprehensive plan?

Answer: If the update adds new alternative water supply projects to the regional water supply plan's list of alternative water supply projects and indicates the entity recommended for implementation of the project, the WMD would have to notify only those recommended entities. If the notified entity is a local government, it would have to update its comprehensive plan within the statutory 18-month time frame.

9. If a city/county falls in two water management districts, can we apply to both?

Answer: If a proposed water supply project would assist in providing water in more than one water management district, the applicant could seek funding from both districts. To allow the districts to coordinate their funding efforts, the application should indicate that a submittal has been made to both districts and clearly state the amount of funds sought from each district.

10. What if the applicant (local government or water supplier) is in one district, but the alternative water supply project it wants to develop is located in another?

Answer: The funding application should be submitted to the district where the water will be used, with a courtesy copy sent to the district where the project will be located. A consumptive use permit for the project must be obtained *from the district where the water is withdrawn*, as opposed to where the water is used.

11. Who can apply for the new funds?

Answer: Local governments, public and private utilities, industrial and agricultural operations, special districts and other public and private water users may all apply for program funds. While the primary focus during development of the legislation was on public water supply, the program is not limited to that sector. Section 373.196(1)(f) provides: "It is in the public interest that county, municipal, industrial, agricultural, and other public and private water users, the Department of Environmental Protection, and the water management districts cooperate and work together in the development of alternative water supplies to avoid the adverse effects of competition for limited supplies of water. Public moneys or services provided to private entities for alternative water supply development may constitute public purposes that also are in the public interest."

12. Can more than one jurisdiction apply together?

Answer: Yes. Local governments, special districts, and publicly or privately owned water utilities are encouraged to form multijurisdictional water supply entities to jointly develop alternative water supplies. [§373.019(12), §373.196(1)(e).] One of the factors to be given significant weight by a WMD in selecting projects for funding is whether or not the project will be implemented by a multijurisdictional water supply entity or regional water supply authority.

13. Are the state funds matched by the water management districts?

Answer: The statute provides that it is the goal of the WMDs to match state funds on a dollar-for-dollar basis. Two types of district funding allocations will count as match for the state funds. Under §373.196(6)(a), districts must include the following two separate allocations in their annual budgets:

- (1) Funds for alternative water supply projects selected for inclusion in the Water Protection and Sustainability Program. This district allocation will be combined with state funds provided through the Water Protection and Sustainability Program Trust Fund under §403.890 and made available to water suppliers (through cost-sharing agreements) to assist them in constructing alternative water supply projects.
- (2) Funds for “water resource development that supports alternative water supply development[.]” Although the statutory definition of “water resource development” is very broad, the critical factor for purposes of determining what qualifies as match is the phrase, “*that supports alternative water supply development.*” In general, water resource development that furthers the implementation of one or more specific alternative water supply project(s) may be appropriately counted as match. For example, district funds expended for project feasibility analysis, design engineering, or specific data collection *necessary to support a particular alternative water supply project* would qualify as match.

14. What is the local government contribution for project construction?

Answer: Section 373.1961(3)(e) states that applicants must pay at least 60% of the project’s construction costs. Each WMD governing board will determine the percentage of project construction costs to be provided by the program. In some cases, the level of program funding may be less than 40% of the construction costs, so that the governing board can maximize the number of projects that will receive construction funding assistance. Water management districts have the discretion to waive (partially or totally) the 60% requirement for projects sponsored by financially disadvantaged small local governments. Water management districts or basin boards may also use ad valorem or federal revenues to help an applicant meet the 60% requirement.

15. Can local governments use other grant money, such as federal funds, for matching funds?

Answer: Federal, regional and local funds may be used as match for the alternative water supply funds provided by the state and water management districts under §373.1961(3). Other state or district funds may not be used as match.

16. Who decides which projects will be funded by the new alternative water supply funding program established by §373.1961(3)?

Answer: The governing boards of the water management districts. [§373.1961(3)(f)]

17. What factors will the governing board use to determine which projects to fund? Will the water management districts have additional factors of their own?

Answer: The statute provides two sets of factors that the WMD Governing Boards must consider when determining those projects that will be selected for funding. The legislation does not designate any one factor as a “precondition” for funding assistance. Rather, the Governing Board has the discretion to weigh each of the factors in its consideration of proposed projects. Section 373.1961(3)(f) provides factors that must be given *significant weight* in project selection. Section 373.1961(3)(g) provides a second list of factors that should also be considered. The Governing Board also has the discretion to establish additional factors. The statutory factors are not “minimum criteria”; rather, they serve to guide the WMD Governing Boards in their assessment of the relative benefits of potential projects.

Sections 373.1961(3)(f) and (g) provide:

(f) The governing boards shall determine those projects that will be selected for financial assistance. The governing boards may establish factors to determine project funding; however, significant weight shall be given to the following factors:

1. Whether the project provides substantial environmental benefits by preventing or limiting adverse water resource impacts.
2. Whether the project reduces competition for water supplies.
3. Whether the project brings about replacement of traditional sources in order to help implement a minimum flow or level or a reservation.
4. Whether the project will be implemented by a consumptive use permittee that has achieved the targets contained in a goal-based water conservation program approved pursuant to s. 373.227.
5. The quantity of water supplied by the project as compared to its cost.
6. Projects in which the construction and delivery to end users of reuse water is a major component.
7. Whether the project will be implemented by a multijurisdictional water supply entity or regional water supply authority.

(g) Additional factors to be considered in determining project funding shall include:

1. Whether the project is part of a plan to implement two or more alternative water supply projects, all of which will be operated to produce water at a uniform rate for the participants in a multijurisdictional water supply entity or regional water supply authority.
2. The percentage of project costs to be funded by the water supplier or water user.
3. Whether the project proposal includes sufficient preliminary planning and engineering to demonstrate that the project can reasonably be implemented within the timeframes provided in the regional water supply plan.
4. Whether the project is a subsequent phase of an alternative water supply project that is underway.
5. Whether and in what percentage a local government or local government utility is transferring water supply system revenues to the local government general fund in excess of reimbursements for services received from the general fund, including direct and indirect costs and legitimate payments in lieu of taxes.

18. If an alternative water supply project is listed in a regional water supply plan, does that mean the WMD must fund it?

Answer: No, but the project would be eligible for funding under the program if selected by the Governing Board.

19. If a city or county has existing water capacity, can they apply for future projects in advance?

Answer: WMDs' regional water supply plans have 20-year planning horizons to identify whether additional water supply will be needed in the future. If a district has determined that certain jurisdictions will need additional water supplies in coming years to serve projected growth, those jurisdictions should start planning for those sources and facilities now. Local governments' early identification of projects needed to meet future demand would demonstrate its commitment to providing adequate water and facilities to serve future growth, encourage the WMD's inclusion of the project in its regional water supply plan, and reflect the local government's desire to obtain funds under the Water Protection and Sustainability Program. Alternative water supply projects can take 7-to-12 years to plan, design and construct. Keeping in mind that funds from the new program can only be used for construction, applicants should apply for funds well enough in advance to ensure that the facility can be built and operational in time to meet the projected need.

20. Who should local governments contact to apply for funds?

Answer: The state's water management districts will administer the alternative water supply funds. The contacts for each water management district are listed below:

NFWFMD: Mr. Paul Thorpe – (850) 539-5999
paul.thorpe@nfwfmd.state.fl.us

SRWMD: Mr. David Still – (386) 362-1001 or 1-800-226-1066
still_d@srwmd.state.fl.us

SJRWMD: Mr. John Wester – (386) 329-4457 or 1-800-451-7106
jwester@sjrwmd.com

SFWMD: Mr. Henry Bittaker – (561) 682-6792 or 1-800-432-2045
hbittak@sfwmd.gov

SWFWMD: Mr. Rand Baldwin, Tampa Service Office (Hillsborough, Pinellas, Pasco Counties) – (813) 985-7481 or email rand.baldwin@watermatters.org
Mr. Jimmy Brooks, Lecanto Service Office (Levy, Marion, Sumter, Citrus, Lake, Hernando) – (352) 527-8131 or email jimmy.brooks@watermatters.org

Mr. Brett Cyphers, Bartow Service Office (Polk, Hardee, Highlands) – (863) 534-1448 or 1-800-492-7862 or email brett.cyphers@watermatters.org

Mr. Steve Minnis, Sarasota Service Office (Manatee, Sarasota, Charlotte, DeSoto) – (941) 377-3722 or 1-800-320-3503 or email steven.minnis@watermatters.org

Website: <http://www.swfwmd.state.fl.us/business/coopfnd/guideln.htm>

21. Is assistance available to help with the application process?

Answer: Yes. Applicants should contact the following staff of the water management district in which the applicant is located. [§373.196(3)(f)]

- NFWFMD:** Mr. Ron Bartel – (850) 539-5999
ron.bartel@nfwfmd.state.fl.us
Website: www.nfwfmd.state.fl.us
- SRWMD:** Mr. David Still – (386) 362-1001 or 1-800-226-1066
or email still_d@srwmd.state.fl.us
Website: www.mysuwaneeriver.com
- SJRWMD:** Ms. Barbara Vergara – (386) 329-4169 or 1-800-451-7106
or email bvergara@sjrwmd.com
Website: <http://www.sjrwmd.com/programs/watersupply.html>
- SFWMD:** Ms. Jane Bucca – (561) 682-6791 or 1-800-432-2045, x. 6791
or email jbucca@sfwmd.gov
Website: <http://www.sfwmd.gov/org/wsd/aws/index.html>
- SWFWMD:** Mr. Rand Baldwin, Tampa Service Office (Hillsborough, Pinellas, Pasco Counties) – (813) 985-7481 or email rand.baldwin@watermatters.org
Mr. Jimmy Brooks, Lecanto Service Office (Levy, Marion, Sumter, Citrus, Lake, Hernando) – (352) 527-8131 or email jimmy.brooks@watermatters.org
Mr. Brett Cyphers, Bartow Service Office (Polk, Hardee, Highlands) – (863) 534-1448 or 1-800-492-7862 or email brett.cyphers@watermatters.org
Mr. Steve Minnis, Sarasota Service Office (Manatee, Sarasota, Charlotte, DeSoto) – (941) 377-3722 or 1-800-320-3503 or email steven.minnis@watermatters.org
Website: <http://www.swfwmd.state.fl.us/business/coopfnd/guideln.htm>

22. What deadlines exist for expending the funds?

Answer: Expenditures by the recipient must comply with the accounting requirements, procedures and deadlines established by the water management district from whom the funds were obtained.

23. Can local governments apply for phased funding to implement project construction over time?

Answer: Funds may be granted for a portion of a project or the entire project, depending on the length of time needed to complete the project, the complexity of the project, and other factors related to the particular funding cycle.

24. If an application is not funded, can it be resubmitted at a later date?

Answer: Projects that are not funded initially can be resubmitted at a later date, assuming the project is eligible for funding under the program and was not previously selected due to other higher priority projects, or the project application was amended to correct deficiencies previously identified by the WMD.

25. Once a local government is awarded funds to implement a project, can it modify the application to change or reschedule the project?

Answer: Any changes to the original application would have to be approved by the WMD. If a modification would affect the original funding decision or result in a substantial delay, the district could redirect the funds to another project.

26. What are the obligations of the local government when it receives funding?

Answer: The local government must build and operate the project to produce water supplies from the alternative water supply source in accordance with the project proposal approved by the WMD for funding. In addition, the local government must have water rates that promote water conservation and the use of alternative water supplies in accordance with § 373.1961 (3)(j), Florida Statutes.