

ALTERNATIVE WATER SUPPLY FUNDING GUIDANCE

This document provides guidance to the Water Management Districts for their submittal of Alternative Water Supply Funding Requests to the Department of Environmental Protection.

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

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Introduction

The Governor and Legislature recognize the importance of developing alternative water supplies for the growing economy and health of Florida's natural systems. The Florida Department of Environmental Protection (Department) and the state's five water management districts (Districts) share a responsibility to identify and implement conservation, reuse and other alternative water supply and water resource development projects.

This guidance document has been developed to assist with the selection of projects for alternative water supply (AWS) funding recommended by the Governor and provided by the Legislature. It has been designed to provide the Districts with the key data elements and clear policy direction that will provide consistency when collecting and submitting AWS projects to the Department for funding consideration. The guidance applies to generally appropriated AWS and Water Protection and Sustainability Program Trust Fund (WPSP) funding for AWS purposes. Please note that this guidance is provided in order to meet the requirements and direction associated with the AWS appropriations. As such, the guidance is subject to change based upon legislative updates and at the discretion of the Department.

General Eligibility

In order to support the Department's and Districts' efforts to achieve core missions, objectives, and goals, special consideration should be given to those AWS projects contained in District Regional Water Supply Plans (RWSP), Recovery or Prevention Strategies for minimum flows and minimum water levels (MFLs), or projects otherwise benefitting MFLs. This focus will not only further AWS development efforts in areas of established priority but should also encourage communities to submit projects due to the availability of enhanced funding consideration.

Eligible projects are alternative water supply¹ projects (reclaimed water, water conversation, stormwater, surface water, brackish groundwater, desalination, other non-traditional source, and other water quantity project types) that are submitted by a water management district and approved by a water management district governing board.

Feasibility and land acquisition projects may be eligible for funding if they relate to one of the project types listed above, are necessary to implement a regional project, and are in accordance with each Districts' established programs.

The use of the word "project" in the AWS Project List refers to those activities associated only with this funding request (i.e., if this request is for Phase II of a three-phase project, please provide the information on Phase II specifically). The Department does not intend to commit to multi-year funding.

The Districts must follow the definitions and instructions included in this guidance and AWS Project List worksheet (see Appendix B) and must submit a complete package for the Department's review. Information needs to be written for public understanding and attention should be paid to accuracy, spelling, grammar, acronyms, consistency, and messaging to the

¹ See 373.019, F.S.

public. All fields that do not apply to the project should be left blank (i.e., do not put N/A or other indication that it doesn't apply).

The Districts should consider the following factors in the selection of AWS projects:

- Projects that provide regional benefits, including water conservation and water resource development projects. Projects within areas of significant regional water constraints, such as the Central Florida Water Initiative and North Florida Regional Water Supply Partnership areas, will be prioritized for funding.
- Projects that benefit water bodies with adopted Minimum Flows or Minimum Water Levels, particularly those that are in recovery or prevention.
- Projects that provide dual benefits to water supply and water quality.
- Projects with complementary efforts, such as AWS projects that also provide flood protection, or recreational benefits.
- Projects that are ready to proceed and that can be implemented in a timely manner.
- Cost effectiveness, such as capital costs per 1,000 gallons of water made available, where applicable.
- The return on investment, that is, the amount of funding the state grant will leverage by District and/or local cooperators, while recognizing the funding limitations of REDI or other economically disadvantaged communities.
- The Districts shall comply with the match requirements outlined in 373.707, Florida Statutes.

District Process Overview

All AWS funding requests must be submitted through the appropriate water management district, regardless of whether the District is contributing funds. Projects should predominately be those with a local sponsor and have been previously evaluated by the District's staff and Governing Board through the regional water supply planning or similar processes. All cooperating entities must be able to receive federal and state funds, reimbursements, and be able to comply with all federal and state regulations as necessary. A District may elect to submit District-sponsored projects for funding consideration, so long as the District's Governing Board considers such projects alongside other submitted projects.

The Districts shall submit their approved AWS project list to the Department annually in May. Each individual project must be numerically ranked separately to develop a prioritized list (do not use alpha characters within the rankings). The Department will review each District's prioritized project list and will contact the Districts if any additional information is needed.

It is important that the District stay on schedule and on budget. The District may consider prior performance (e.g., meeting timelines and match commitments) of local project sponsors in its review process.

Note that if a project is unable to be implemented or the state funding for a project is reduced, the funds may be returned to the Department and be reallocated to other projects. Neither the Districts nor local sponsors should assume the returned funds will be redirected to another project in the District, county, or municipality.

Department Project Review

The Department will review all projects and will use a consistent and quantifiable criteria for prioritization of project selections. The criteria to be used for prioritization are based on project eligibility standards established below. Upon submittal, the project rank provided by the District's prioritized list will be used as a primary criteria to determine the Department's prioritization.

Next, the Department's funding priority is for regional projects in the areas of greatest need and those that provide the greatest benefit towards the protection of Florida's natural systems. As such, projects within RWSP areas, projects that are included in an adopted Recovery or Prevention Strategy, and projects that benefit a MFL will be prioritized over those that do not meet these criteria. As components of these criteria, the Department will evaluate the project location, with emphasis on the North Florida Regional Water Supply Partnership and Central Florida Water Initiative. In line with the Department's directive to select projects with the greatest benefit, the magnitude of the water quantity benefit will also be used to prioritize projects.

Additional criteria to be evaluated includes whether there are secondary water quality benefits associated with the project, how "shovel-ready" the project is (i.e., planning and engineering is advanced enough that—with sufficient funding—construction can begin within a very short time), how much match funding is being invested from the and Local Cooperator(s) and District, and if the project is located in an economically disadvantaged community such as Rural Areas of Opportunity (RAO) or Rural Economic Development Initiative (REDI) communities for which funding would otherwise be limited.

Project status or how "shovel-ready" the project is will be weighted highly when finalizing project selections. The District should only report one project status type (planning, design/engineering, permitting, construction bidding, or construction). Projects that are closer to the construction phase shall be prioritized by the Department. If a project has more than one phase being accomplished simultaneously, the Districts can note that in the "Additional Information" field of the spreadsheet.

These criteria are presented in order of prioritization below:

1. District rank (per prioritized list at submittal)
2. Location within a RWSP area, with emphasis on joint regions (i.e., NFRWSP and CFWI)
3. Benefits to a MFL, with emphasis on those benefitting a Recovery or Prevention Strategy
4. Magnitude of water quantity benefits
5. Shovel readiness
6. Match contribution from Local Cooperator and/or District
7. Location within a RAO or REDI community

Once the Department's internal selection process is completed, the Department will notify the Districts' Executive Directors of the final project selections and Department staff will work with District staff on any public announcements.

Water Protection and Sustainability Program Trust Fund

For every fiscal year where funding is provided for AWS through the WSPSP Trust Fund, such revenues shall be distributed to the Districts for the purpose of alternative water supplies development. Funds from this Trust Fund will be distributed under the following formula²:

1. Thirty percent to the South Florida Water Management District;
2. Twenty-five percent to the Southwest Florida Water Management District;
3. Twenty-five percent to the St. Johns River Water Management District;
4. Ten percent to the Suwannee River Water Management District; and
5. Ten percent to the Northwest Florida Water Management District.

These funds shall be used for the project construction costs of alternative water supply development projects or for the implementation of water conservation projects that result in quantifiable water savings. If the District has not completed any regional water supply plan, or the regional water supply plan does not identify the need for any alternative water supply projects, funds deposited in that District's trust fund may be used for water resource development projects, including, but not limited to, springs protection. In addition to meeting the same match funding requirements of other AWS projects outlined in 373.707, Florida Statutes, if funds are used for a construction project, WSPSP funds cannot exceed 40 percent of the total construction costs³. The applicant must pay for at least 60 percent of the project's construction costs, although the water management district may contribute to this amount using ad valorem or federal revenue.

WSPSP funds may be combined with funds for projects on a District's AWS project list or they may go toward other water supply projects. The general process for WSPSP project funds will include a project submittal list and a District Governing Board resolution requesting the release of funding, pursuant to the above formula. The specific mechanism for the distribution of funds, as well as any additional submittal criteria, will be specified in a grant agreement between the Department and the District.

² per 373.707(8)(b), F.S.

³ Financially disadvantaged small local governments as defined in former s. 403.885(5), F.S. are excluded from this requirement

List of Appendices

- A. Developing geographic coordinates for projects
- B. AWS Project Submittal Worksheet

A. Developing geographic coordinates for projects

The following guidance should be used for developing geographic coordinates for projects when no latitude or longitude has been specified. **All coordinates should be in decimal degrees.** Also, please check the accuracy of any coordinates in advance of submittal.

- Project is district-wide
→ Use the location of district headquarters.
- Project is county-wide or spans a large extent within a county
→ Use the location of administrative headquarters for the county government.
- Project is city-wide or spans a large extent within a city
→ Use location of city hall (or administrative headquarters for the city government).
- Project spans multiple counties
→ Use the geographic centroid of the administrative headquarters of each county.
- Project spans multiple cities
→ Use the geographic centroid of the administrative headquarters of each city.
- Project spans a defined region or service area
→ Use the geographic centroid of the region or area.

B. AWS Project Submittal Worksheet

An excel spreadsheet with instructions will be made available annually on the Department's website at: <https://floridadep.gov/water-policy/water-policy/forms/aws-submittal-spreadsheet>.