

# 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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## I. 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 Department and the 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.

## II. District's Submission

### A. Project Eligibility

The legislative appropriation for alternative water supply projects contained the following proviso language:

“funds are provided... to help communities plan for and implement conservation, reuse and other water supply and water resource development projects. Priority funding will be given to regional projects in the areas of greatest need and for projects that provide the greatest benefit.”<sup>1</sup>

Eligible projects are alternative water supply<sup>2</sup> projects that are submitted by a water management district, approved by a water management district governing board, and meet the project types as listed below.

- Reclaimed Water
- Water Conservation
- Stormwater
- Surface Water
- Brackish Groundwater
- Desalination
- Other Non-Traditional Source
- Other Water Quantity

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

### B. 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 process. 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.

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<sup>1</sup> See Ch. 2020-114, Laws of Florida, Specific Appropriation 1622.

<sup>2</sup> See 373.019, F.S.

The Department will review the prioritized project lists and finalize project selection over the summer with award announcements in August.

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.

### **Central Florida Water Initiative Projects**

The three Districts that are part of the CFWI Planning Area shall include CFWI projects in their submittal to the Department prioritized on the criteria set forth in this document. A list of funded projects will be presented to the CFWI Steering Committee after final selection by the Department.

### **C. General Submittal Guidance**

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 Districts must follow the definitions and instructions included in this guidance and AWS Project List worksheet 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 the messaging to the public. All fields that do not apply to the project should be left blank. If this funding request is part of a larger, multi-year project, the multi-year funding tab of the worksheet must be completed.

### **D. Match Requirements**

Match requirements are set forth in Section 373.707, Florida Statutes. The appropriation of state funding should:

- Not result in a reduction of budgeted District funding for this purpose
- Be included in the annual tentative and adopted budget submittals
- At a minimum be matched equivalent to 100% of the state funding provided.<sup>3</sup>

For guidance on match requirements specific to funding allocated through the Water Protection and Sustainability Program Trust Fund, see section IV.

Match is intended to reflect how the Department’s AWS funding has been leveraged with other resources. Dollar amounts reported for match must be accurate; avoid double-counting; and ensure ability to confirm the dollar amounts identified in the matching funds. Match will be tracked and reported by the Department for AWS projects and, as such, the Districts’ must be committed to, and able to confirm these numbers at the time of project submittal and at project completion. Districts match may be made up of related water resource development or alternative water supply development programmatic costs<sup>4</sup>; any match less than 100% should be included in the “Additional Information” field.

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<sup>3</sup> Does not apply to SRWMD and NFWFMD.

<sup>4</sup> Does not apply to WPSP Funding.

### III. Review Processes

#### **Project Review**

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 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.

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 MFL Recovery or Prevention Strategies or District Regional Water Supply Plans 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.

#### **Multi-Year Funding Requests**

The Department supports those projects that are part of a District's or local project sponsor's long-term strategy to address alternative water supply needs. The Districts may identify multiple phases of such long-term strategies for funding over the next five years, subject to future legislative appropriations. The multi-year tab of the AWS project list must be completed for any multi-year funding requests. This policy should help build predictability at the local level and presents opportunities for REDI and financially disadvantaged communities.

#### **Past Performance**

It is important that AWS projects 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.

#### **Announcement of Project Selection**

The Department will review each District's prioritized project list and will contact the Districts if any additional information is needed. 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.

### IV. Water Protection and Sustainability Program Trust Fund

For every fiscal year where funding is provided for the WPSP, 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 formula:

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 noted in II. d., if funds are used for a construction project, WPSP funds cannot exceed 40 percent of the total construction costs<sup>5</sup>. 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.

WPSP 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 WPSP 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 Memorandum of Understanding or project agreement between the Department and the District.

## V. Appendices

### 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>.

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