

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1597 w/CS Water Policy

SPONSOR(S): Anderson

TIED BILLS: **IDEN./SIM. BILLS:** SB 2368

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Energy (Sub)	10 Y, 0 N	Holt	Liepshutz
2) Business Regulation	28 Y, 1 N w/CS	Gallen	Liepshutz
3) Natural Resources			
4)			
5)			

SUMMARY ANALYSIS

The bill creates a new section in chapter 367, F.S., the Water and Wastewater System Regulatory Law that relates to investor owned utilities regulated by the counties or by the Florida Public Service Commission (FPSC). The bill provides legislative findings with regard to potable water standards. The bill grants authority to counties in establishing procedures to determine if those standards are met, or unmet, by water utilities operating within their boundaries. The findings from review of a utility will be filed with a regulatory agency and made available to customers within a month after it is filed. Oversight of the certification and recertification procedure rests with an ad hoc committee chaired by a county commissioner and consisting of two utility representatives, two customer representatives, two independent scientific observers, and the county health officer. In counties under FPSC jurisdiction, it appears that no increase in government is created because the FPSC would evaluate a utility's compliance using the new standards as opposed to the utility undergoing a dual evaluation.

The bill appears to have minimal fiscal impact

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1597b.br.doc

DATE: April 9, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

Chapter 367, F.S., is cited as the Water and Wastewater System Regulatory Law and relates to investor owned utilities regulated by the counties or by the Florida Public Service Commission (FPSC).

Section 367.045(5)(a) provides in part that:

5)(a) The commission may grant or amend a certificate of authorization, in whole or in part or with modifications in the public interest, but may not grant authority greater than that requested in the application or amendment thereto and noticed under this section; or it may deny a certificate of authorization or an amendment to a certificate of authorization, if in the public interest. The commission may deny an application for a certificate of authorization for any new Class C wastewater system, as defined by commission rule, if the public can be adequately served by modifying or extending a current wastewater system. The commission may not grant a certificate of authorization for a proposed system, or an amendment to a certificate of authorization for the extension of an existing system, which will be in competition with, or a duplication of, any other system or portion of a system, unless it first determines that such other system or portion thereof is inadequate to meet the reasonable needs of the public or that the person operating the system is unable, refuses, or neglects to provide reasonably adequate service.

The bill provides legislative findings with regard to potable water standards. It establishes that each county is given the authority to require that monopoly water utilities operating within its borders meet community water quality standards that take into account locally relevant conditions.

Each county is authorized to require that potable water provided by any monopoly water utility certificated pursuant to s. 367.045(5)(a), F.S., meet the county's water quality standards. A county may require certification as validation of meeting those standards. A periodic recertification may also be applicable. The certification and recertification procedure shall be overseen by an ad hoc committee chaired by a county commissioner. The committee membership shall consist of two utility representatives, two customer representatives, two independent scientific observers, and the county health officer. The chair will chose committee members and members will serve one year terms. As necessary, the county will provide administrative support to the committee.

The bill also creates an audit procedure that shall be performed at regular periodic intervals, as determined by the each county. An independent authority nominated by the county will perform the

audit. The results of the audit shall be filed with regulatory agencies such as the FPSC or the Department of Environmental Protection. The audit report shall be made available to customers one month after it is filed. In the event of a significant number of utility customer complaints about water quality, the ad hoc committee shall determine whether additional audits are appropriate to resolve complaints. The cost of additional audits may be considered in setting the utility's rates, except in cases of incompetence, neglect, or indifference by the water utility.

According to the FPSC, the imposition of local water quality of service standards would have minimal fiscal impact on the FPSC. The FPSC would have to evaluate a utility's compliance with the new local water standards. The FPSC may also have to address cost recovery issues for the new local water quality standards. Most of the fiscal impacts would be on the utilities, their customers, and the counties if they choose to establish new local water quality standards.

The act takes effect upon becoming law.

C. SECTION DIRECTORY:

Section 1. Creates a section in chapter 367, F.S. The provisions allow each county to establish potable water quality standards for monopoly utilities that operate within its boundaries. Counties shall establish audit and certification procedures. The audit reports will be filed with a regulatory agency and made available to customers within a month after they are filed. Under certain circumstances, the county may require additional audits and recertification.

Section 2. Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:
Indeterminate.
2. Expenditures:
Indeterminate.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:
Indeterminate.
2. Expenditures:
Indeterminate.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Indeterminate.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

N/A.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On April 9, 2003, the Committee on Business Regulation adopted two amendments. The first amendment stated that the ad hoc committee members will be chosen by the committee chair and listed the committee's duties, procedures, and rules. The second amendment was technical, and added the words "water quality" before "standards" on lines 27, 31, and 35.