

UTILITIES, NATURAL RESOURCES & PUBLIC WORKS

Friday, October 6, 2023 10:00 a.m. – 2:00 p.m. EDT

Miami Meeting Room Gaylord Palms Resort & Convention Center 6000 West Osceola Parkway, Kissimmee, FL 34746

FLC Staff Contact: Rebecca O'Hara





Agenda



Utilities, Natural Resources & Public Works Legislative Policy Committee Friday, October 6, 2023, from 10:00 a.m. to 2:00 p.m. Gaylord Palms Resort & Convention Center – Meeting Room: Miami 6000 West Osceola Parkway, Kissimmee, FL 34746

AGENDA

I.	Introduction & Opening Remarks Vice Chair Teresa Watkins Brown Councilwoman, City of Fort Myers
II.	Recap of Sept. 8 meetingRebecca O'Hara, FLC Staff
III.	Legislative Ratification of Statewide Stormwater Rule Diana Ferguson, Rutledge Ecenia, P.A.
IV.	Committee Discussion of Policy Concepts
	A. Ratification of Statewide Stormwater Rule
	B. Water Resources Planning & Comprehensive Watershed Management (One Water)
	C. Per- and Polyflouroalkyl Substances
	D. Property Assessed Clean Energy
	E. Comprehensive Waste Reduction and Recycling Plan
v.	Ranking of Policies Vice Chair Teresa Watkins Brown Councilwoman, City of Fort Myers
VI.	Other Business
	A. <u>FLC Policy Committee Process for 2023-2024</u>
	B. <u>Key Legislative Dates</u>
	C. <u>Home Rule Hero Criteria</u>
	 C. <u>Home Rule Hero Criteria</u> D. Key Contacts – <u>Click HERE to sign-up</u>
VII.	
VII. VIII.	 D. Key Contacts – <u>Click HERE to sign-up</u> Closing Remarks
	 D. Key Contacts – <u>Click HERE to sign-up</u> Closing Remarks

Network: Gaylord_Conference Access Code: Policy2023



Committee Roster



2023-2024 Legislative Policy Committee Utilities, Natural Resources & Public Works

Staffed by: Rebecca O'Hara, Deputy General Counsel

The Honorable Jen Ahearn-Koch Commissioner, City of Sarasota

Molly Alleger Assistant to the City Manager, City of Jacksonville Beach

The Honorable Joaquin Almazan Vice Mayor, City of Belle Glade

The Honorable David Bailey Vice Mayor, City of Brooksville

The Honorable Joe Barkley Commissioner, City of Belleair Bluffs

Dennis Barron Director of Public Works, City of Jacksonville Beach

The Honorable Joyce Barton Vice Mayor, Town of Melbourne Beach

The Honorable Pat Bates Mayor, City of Altamonte Springs

The Honorable Pat Bentley Councilman, City of West Melbourne

Peter Bieniek Director of Public Works, City of Fort Myers

The Honorable Nathaniel Birdsong Mayor Pro Tem, City of Winter Haven

The Honorable BJ Bishop Commissioner, Town of Longboat Key

Terry Bovaird City Manager, City of Williston **The Honorable Doug Bryant** Councilmember, City of Mount Dora

The Honorable Phyllis Butlien Vice Mayor, City of DeBary

The Honorable Anthony Caggiano Mayor, City of Margate

The Honorable Carolyn Cassidy Commissioner, Town of Ocean Ridge

Thomas Cloud City Attorney, Fort Meade, Polk City, Davenport

The Honorable Victoria Colangelo Commissioner, City of Winter Springs

The Honorable Ann Cosentino Commissioner, City of Dade City

The Honorable Neil Devine Commissioner, City of Mulberry

Bart Diebold City Manager, City of Pinellas Park

James Dillon Director of Public Works, City of Tavares

The Honorable Fred Forbes Councilman, City of Bonita Springs

The Honorable Gregory Freebold Mayor, Town of Lake Clarke Shores

Aleem Ghany Public Services Director, Town of Pembroke Park The Honorable Steve Githens Commissioner, City of Bartow

The Honorable Stu Glass Deputy Mayor, Town of Indialantic

The Honorable Ted Hartselle Councilman, City of Rockledge

Kate Helms Stormwater Manager, City of Satellite Beach

The Honorable Donna Holck Commissioner, City of Largo

The Honorable Denise Horland Councilmember, City of Plantation

Gary Hubbard Water Director, City of Winter Haven

Nzeribe Ihekwaba Deputy City Manager, City of Miami

The Honorable Richard Johnson Mayor, City of Sanibel

Dr. Jimmie Johnson, Ph.D, CWWO, CPM Utilities Director, Village of Palm Springs

The Honorable John Jones Councilmember, City of Monticello

James Keene Public Services Administrator, Haines City

Rachel Keesling Executive Director, Southwest Florida League of Cities

The Honorable Lorraine Koss Councilperson, City of Cocoa **The Honorable Charles Lake** Commissioner, City of Lake Alfred

Shannon Lewis Director of Municipal Services, Anser Advisory/GSG, Business Watch

The Honorable Michael McComas Councilman, Everglades City

The Honorable Jane Mealy Commissioner, City of Flagler Beach

Camden Mills Manager, Capital Projects, City of Sarasota

Francis Moehrle Deputy City Attorney, City of Port St. Lucie

The Honorable Erik Morrissette Vice Mayor, Town of Pembroke Park

The Honorable Lois Paritsky Mayor, Town of Ponce Inlet

The Honorable Susan Persis Commissioner, City of Ormond Beach

The Honorable David Pickett Councilman, City of Port St. Lucie

The Honorable Jimmie Quinn Councilor, City of Seminole

The Honorable Joe Rasco Mayor, Village of Key Biscayne

The Honorable Gerald Renick Council Member, City of Fellsmere

The Honorable Richard Roney Vice Mayor, Town of Hypoluxo

The Honorable Keith Sabiel Councilman, City of Pinellas Park

The Honorable Dan Saracki

Mayor, City of Oldsmar

The Honorable Rick Sartory Council Member, Village of Tequesta

The Honorable Bev Smith Mayor, Village of Palm Springs

The Honorable Phil Stokes Commissioner, City of North Port

The Honorable April Thanos Councilor, City of Gulfport

The Honorable Robert Walker Commissioner, City of Dunedin

The Honorable Teresa Watkins Brown Councilwoman, City of Fort Myers

The Honorable Brian Williams Commissioner, City of Palmetto

The Honorable Rosemary Wilsen Commissioner, City of Ocoee

The Honorable Justin York Commissioner, City of Lake Mary



Legislative Ratification of Statewide Stormwater Rule

DIANA M. FERGUSON

Shareholder

Diana M. Ferguson joined Rutledge Ecenia in January 2011 as an attorney and registered lobbyist. Her practice at Rutledge Ecenia is concentrated largely in government relations, with a focus in the areas of environmental and administrative law, regulated industries, non-profit organizations, and local government associations. Prior to joining the firm, Diana provided legislative counsel to the Florida Association of Counties and represented the association before the Florida Legislature. In that capacity, she lobbied numerous environmental issues as well as other local government issues. Diana spent a significant amount of time advocating for the counties on water supply and water quality issues. With regard to water quality, she worked on several pieces of legislation pertaining to significant nonpoint sources of pollution, such as septic tanks and fertilizer, as well as regulatory issues such as total maximum daily loads and numeric nutrient criteria.

Diana currently uses her extensive advocacy experience in representing several associations and other clients that have wide-ranging policy needs, including telecommunications, professional regulation and environmental permitting, community association law, beach policy and project funding and animal control. She has also participated in numerous rulemaking processes and lobbied various regulatory issues within several state and regional agencies, including the Department of Environmental Protection, the water management districts, the Fish and Wildlife Conservation Commission, and the Department of Agriculture and Consumer Services.

Diana graduated from the University of Missouri – Kansas City with a political science degree. She earned her Juris Doctorate from the Oklahoma City University School of Law. She is a member in good standing of the Texas Bar Association and of the Florida Bar Association, where she is the legislative chair of the Animal Law Section and a member of the Environmental and Land Use and City, County, and Local Government Law Sections.

Diana was appointed to the Governor's Action Team on Energy and Climate Change, Adaptation Technical Working Group in 2008; the Florida Legislature's Beach Management Working Group from 2008 to 2009; and the Florida Beaches Habitat Conservation Plan Steering Committee from 2008 to 2011. She received the Friend of the Florida Association of County Attorneys in June 2009 and the Legislative Appreciation Award, Small County Coalition in June 2009. Diana has also been recognized as a Florida Legal Elite Up & Comer. This recognition is based on attorneys under the age of 40 who have exhibited leadership in the law and in their community.





Clean Waterways Act Statewide Stormwater Rule Overview

www.florida-stormwater.org



Today's Overview

- 1. Stormwater Rule Background
- 2. Problem Recognition
- 3. Political/Rulemaking Process









www.florida-stormwater.org











Cost to Restore Impa	aired Waters
	Reductions Summary
	The table below summarizes reductions and project cost estimates for all 33 BMAPs as of Dec. 31, 2022. Reductions for completed and ongoing projects shown in the table have been reviewed and verified by DEP. Underway and planned projects may be assigned estimated reductions and costs that have not been verified or may be listed as "to be determined" (TBD). As projects move to a completed or ongoing status, DEP reviews the project information and revises reductions as appropriate. Project statuses are defined as follows: Completed – Project, activity, or task is finished and is providing water quality benefits. Ongoing – Project or activity which requires action each year to continue providing water quality benefits. These projects are typically non- structural and continuous.
	Project Status TN Reduction (lbs/yr) TN Reduction (lbs/yr) Cost Estimate Cost Annual O&M Completed 4,819,438 771,912 \$9,328,514,710 \$166,589,235
	Composite 34,25,45,36 77,35,12 35,228,34,716 5100,352,23 Ongoing 3,429,551 349,874 \$\$7,629,469 \$48,045,867 Planned 716,579 12,696 \$2,715,538,094 \$3,464,635 Underway 1,284,328 134,277 \$7,286,089,977 \$28,860,089
	\$19,417,772,250 \$246,959,826
	www.florida-stormwater.org





	Blue-Green Algae Task Force Consensus Document #1 11 October 2019	
Stormwater	r Treatment Systems	
in complian surface wat been evalua of stormwa	ption that a stormwater treatment system constructed and permitted ce with BMP design criteria will not cause or contribute to violations of ter quality standards in adjacent and/or connected water bodies has ated and challenged. Available data suggest that a substantial number ater treatment systems throughout the state fail to achieve their performance standards.	
throughout implementa the goal of corrective a environmen criteria be treatment	uantity of water collected, treated and conveyed in stormwater systems the state, the task force recommends the development and ation of a stormwater system inspection and monitoring program with f identifying improperly functioning and/or failing systems so that action can be taken to reduce nutrient pollution and other negative ntal impacts. The task force recommends also that stormwater design revised and updated to incorporate recent advances in stormwater technologies and other practices that have demonstrated ntal benefits, specifically nutrient reduction.	

C		SIS AND FI		ST STATEMENT s of the latest date listed below.)
	Prepared By:	The Professional S	taff of the Committe	e on Appropriations
BILL:	CS/CS/SB 712]		
INTRODUCER:	Appropriations C Harrell, and Albr		nunity Affairs Co	mmittee; and Senators Mayfiel
SUBJECT:	Environmental R	esource Manager	ment	
DATE:	February 24, 202	0 REVISED:		
ANAL	YST S	AFF DIRECTOR	REFERENCE	ACTION
1. Paglialonga			CA	Fav/CS
2. Reagan	Be		AEG	Recommend: Fav/CS
3. Reagan	Ky	noch	AP	Fav/CS
			for Addition	al Information: Changes
topics	/SB 712 includes r in this bill include	onsite sewage tre	atment and dispo	reen Algae Task Force. The m sal systems (OSTDSs, commo culture, and biosolids. The bill
		flor	ida-stormw	





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Ratification of Statewide Stormwater Rule

Legislative Ratification of Statewide Stormwater Rule

Draft Priority Statement:

The Florida League of Cities SUPPORTS legislation to ratify the Department of Environmental Protection's proposed Environmental Resource Permitting Rules for Stormwater Design and Operation Regulations, Ch. 62-330, F.A.C.

Background:

Nitrogen and phosphorus in urban and agricultural runoff are the leading cause of water quality impairment in Florida. SB 712, the Clean Waterways Act, passed with resounding bipartisan support in 2020 with the goal of improving our water quality. It required the Florida Department of Environmental Protection (DEP) to "initiate rulemaking to update the stormwater design and operation regulations ...using the most recent scientific information available" and required consideration of low-impact Best Management Practices that "increase the removal of nutrients" and "measures for consistent application of the net improvement performance standard."

The state stormwater rule should ensure that excess nutrients are mitigated at their source – *before* they enter stormwater. Preventing nutrients from entering stormwater is significantly more cost-effective than attempting to remove the pollution after it has reached a waterbody. If nutrient pollution is not prevented at the source, local taxpayers will foot the bill for cleaning it up – at much greater expense. A more protective, updated rule that incorporates the best available data and practices will decrease the fiscal burden on local taxpayers by ensuring that development activities prevent nutrient pollution from reaching Florida's waterways.

In 2021, DEP began an extended public rulemaking process to update the stormwater rule in accordance with SB 712. The rulemaking included input from developers, local governments, environmental groups, and the public. The resulting proposed rule requires a higher level of treatment and removal through each approved permit. It incorporates the best available data and practices and should decrease the fiscal burden on local taxpayers of nutrient cleanup by requiring development activities prevent nutrient pollution from reaching Florida's waterways. The rule requires ratification by the Legislature before it may be implemented. DEP's estimate of the increased cost of the rule to the regulated community is anticipated at \$1.4 billion over a five-year period (\$300 million/year), covering approximately 14,000 permits.

The cost of inaction (no rule) is much higher than the cost of the rule. If the current rate of water quality degradation continues, we'll experience continued harmful algal blooms and red tides that will adversely impact our economy and property values. The cost of undoing that harm – water body restoration – is orders of magnitude greater than the cost of rule. Projects to address *existing* phosphorus and nitrogen impairment already exceed \$11.6 billion. If stormwater regulations remain unchanged, Florida will need to invest billions more in cleanup costs.



Water Resources Planning & Comprehensive Watershed Management (One Water)

Water Resources Planning & Comprehensive Watershed Management

Draft Priority Statement:

The Florida League of Cities SUPPORTS legislation establishing a statewide coordinated planning and prioritization approach for water resource investments that funds Florida's current and projected water needs in an equitable manner, and which authorizes Comprehensive Watershed Management projects to qualify for funding under the state Water Protection and Sustainability Trust Fund.

Background:

Statewide Water Resources Planning

Florida faces significant challenges in meeting its increasing needs for drinking water while also managing wastewater and protecting natural resources. The Office of Economic and Demographic Research estimates a gap between the state's water needs and available funding exists in "every future year, growing to \$840.69 million by the end of the 10-year forecast period (excluding resiliency needs). State funding is subject to shifting legislative priorities and local perspectives rather than a strategic approach, leading to inefficiencies and a growing backlog of needed infrastructure. The fractured responsibility for water resources planning among state, regional, and local governments, and the uncoordinated investment of funds to meet various water needs are additional obstacles to addressing these challenges. To address these issues, the League supports a comprehensive review of state water policy with the goal of developing recommendations relating to both governance and long-term funding. A review of governance issues would examine the current delineation of responsibilities between state, regional, and local governments. An examination of funding issues would contemplate the development of long- and short-term plans to address the growing funding gap, which may further require revising existing funding sources, developing new funding sources, and developing new procedures for accessing state funding.

Comprehensive Watershed Management

The Florida Water Protection and Sustainability Program Trust Fund was established in 2005 and later modified. The Trust Fund now provides a way for the Florida Department of Environmental Protection to make wastewater grants, provide cost-share assistance for alternative water supply projects, and invest in water storage projects. Funding is appropriated by the Legislature. Florida law specifies that proceeds from the Trust Fund may be used for the following purposes:

- The alternative water supply program;
- The water storage facility revolving loan fund;
- The water quality improvement grant program.

As growth and increasing demands for water supply strain traditional water sources, utilities are beginning to develop new approaches that incorporate water supply, wastewater, stormwater, and natural systems into integrated water management or "One Water" strategies. This comprehensive approach can be more cost effective than traditional

alternative water supply development because it results in additional benefits to the watershed, natural systems, and the surrounding population.

Rule 62-40.425, F.A.C., promotes a comprehensive watershed management approach for managing the cumulative impacts of human activities on Florida's water resources, accounting for myriad issues such as water quality, water supply, natural systems, and floodplain management and flood protection. Despite the state's expressed policy preference for a comprehensive watershed management approach, comprehensive watershed management projects are not recognized or prioritized within state funding sources for state cost-share assistance. State funding sources are broken into specific silos that make it difficult to plan and obtain funding assistance for projects that incorporate comprehensive watershed management strategies that address the needs of multiple funding source silos. A project might receive funding for one component of a project but not receive funding for other components because funding for each component must be sought through a separate grant program.

To overcome this siloed approach that stymies such projects, the League proposes an amendment to section 403.890, F.S., the Water Protection and Sustainability Program, to include watershed management projects as a purpose eligible for funding from the Water Protection and Sustainability Program Trust Fund.



Per- and Polyflouroalkyl Substances

Per- and Poly Fluoroalkyl Substances (PFAS)

Draft Priority Statement:

The Florida League of Cities SUPPORTS legislation that directs public agencies to use risk mitigation principles to protect potable water end users from PFAS, establishes a collaborative "PFAS Response Action Team" among appropriate state agencies, addresses the transition to PFAS-free aqueous firefighting foam by airports, seaports, and local government fire departments, and provides for enhanced communication to the public about PFAS.

Background:

PFAS is a class of chemicals that has been used widely for decades in common household, commercial, and industrial products. PFAS is pervasive and never fully degrades. It quickly migrates from a variety of sources through soil and groundwater. As such, PFAS is found all over the world – in water, soils, and in humans and animals. There is growing concern about the public health risks of PFAS. Studies are showing that PFAS leads to adverse health outcomes, including certain cancers. Aqueous firefighting foam (AFFF) is a type of PFAS used by fire departments, seaports, and airports. There were no PFAS-free alternatives to AFFF for many years, but a PFAS-free foam will be available soon.

The Environmental Protection Agency is moving quickly to establish maximum contaminant levels for PFAS in soil and water. In 2022, the Legislature directed the Florida Department of Environmental Protection (DEP) to develop a maximum contaminant level for PFAS if the federal government does not do so by January 2025. The costs to test for and remediate PFAS in soil and water are astronomical and there is no designated source of funding for it. Florida must employ broad solutions to address the multi-faceted challenges posed by PFAS, focusing on managing the risk of exposure, enhancing public communication, and addressing the transition to PFAS-free firefighting foam by airports, seaports, and local fire departments.

Collaboration Among State Agencies

The Legislature should direct the formation of a PFAS Response Action team comprised of staff from DEP, the Department of Health (DOH), and the Water Management Districts (WMDs). These three agencies play a critical role in managing PFAS. DEP is the agency responsible for reducing or eliminating the public's risk of environmental contaminant exposure. DOH is responsible for monitoring permitted potable water wells. The Water Management Districts are responsible for issuing water well permits and managing sources of potable water. The formation of an action team among these agencies will help address the public's risk of exposure to PFAS in a coordinated manner, particularly if the team works collaboratively with stakeholders in developing long-term solutions.

Risk Mitigation Principles for Protecting Potable Water End Users

Federal law requires public water systems to monitor for PFAS, which addresses public health concerns associated with these systems. But private well owners do not have similar

protections. Florida should start protecting private well owners from PFAS by using longestablished risk evaluation and management principles and by taking the following actions:

- Implementing a comprehensive, statewide private potable well testing program near suspected PFAS source zones.
- Developing a program to provide filters for private wells where PFAS is detected, offer to connect the household to the municipal water supply, or drill a new well in an unaffected area.
- DEP should notify WMDs and the public of areas of groundwater contamination. WMDs should flag well drilling permit requests in areas of known or suspected PFAS contamination and take measures to ensure the extracted groundwater is safe for human consumptive uses.
- Expand DEP's and DOH's Well Surveillance Program. This is the only program in Florida that protects public health by monitoring and identifying threats to drinking water from private wells. Florida should provide additional funding for this program to prioritize sampling and monitor private wells at risk from known or suspected PFAS sources.
- Adopt an aggressive public information campaign. The campaign should be led by DEP (in coordination with DOH and WMDs) to inform the public about PFAS and steps the state is taking to address PFAS.
- Involve stakeholders such as municipalities, counties, airports, solid waste entities, and seaports to provide recommendations for reasonable, attainable solutions and strategies for PFAS management.
- Appropriate money to local governments to connect private well owners affected by PFAS to the public water supply when feasible.
- Appropriate funding for a PFAS product stewardship and transition grant program to incent airports, seaports, and fire departments to appropriately dispose of AFFF and to fund a percentage of the cost to acquire PFAS-free firefighting foam. In addition, the funding should be used to train firefighters in the use of the new foam.
- Cap liability for airports, seaports, and firefighting agencies that participate in the PFAS product stewardship and grant program so that when they respond to certain fire emergencies that require use of AFFF the entities would have immunity for issues that may arise from its use.
- Appropriate funding for use by small fire departments for retrofitting, cleaning, or replacing equipment that may be contaminated with AFFF residue in anticipation of the new PFAS-free foams becoming available.



Property Assessed Clean Energy

Property Assessed Clean Energy (PACE)

Draft Priority Statement:

The Florida League of Cities SUPPORTS legislation to clarify that the term "local government" under the Property Assessed Clean Energy Program (PACE) means a county, a municipality, a dependent special district, or an intergovernmental entity that has jurisdiction *only* within the boundaries of the participating members of an interlocal agreement.

Background:

In 2010, the Legislature provided authority for local governments to create qualifying improvement programs, commonly referred to as Property Assessed Clean Energy (PACE) programs, to provide up-front financing for certain qualifying improvements. Under these programs, property owners may apply to the local government for funding to finance a qualifying improvement and voluntarily enter into a financing agreement with the local government. Qualifying improvements include energy conservation and efficiency improvements, renewable energy improvements, and wind resistance improvements to existing facilities. Property owners finance qualifying improvements through a non-ad valorem assessment on their property. Local governments may offer this program to residential and/or commercial property owners and may administer the program directly or through a separate administrator.

Recently, an intergovernmental entity created by one central Florida city and one Florida east coast county known as the Florida PACE Funding Agency (FPFA), began creating PACE programs all over Florida – hundreds of miles away from the jurisdictional boundaries of the two originating local governments. FPFA is establishing and operating these PACE programs without the knowledge or consent of the municipality or county in which it is doing business. The FPFA claims it has the authority to do this based on a Leon County Circuit court bond validation proceeding, but multiple local governments and county tax collectors are actively challenging this assertion in legal filings throughout the state.

PACE programs can be easily abused by unscrupulous PACE providers who prey on elderly consumers and other vulnerable populations. Property owners may be charged nearly 9% interest for qualifying PACE improvements, and the owners could be paying these rates for 15-30 years. The tax bill for some property owners may increase by at least 50%. Property owners may be at risk of losing their homes due to PACE liens. FPFA's legally questionable statewide activities will only exacerbate the potential for abuse. FPFA does not represent property owners or voters statewide and cannot be held accountable by them.

It is critical for the Legislature to take steps to protect Florida consumers and property owners by ensuring that any governmental entity offering PACE financing may do so only within its own jurisdictional boundaries unless it obtains consent from the local government having jurisdiction over an extraterritorial area that it proposes to serve.



FTA-PP-10: PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM CLARIFICATION

STAFF RECOMMENDATION: ADOPT

PROPOSED POLICY: FAC SUPPORTS clarification of legislative intent of the PACE statute and a county's authority to regulate a section 163.01(7) entity's activity within its jurisdiction; SUPPORT legislative affirmation of a local government's home rule authority to regulate the PACE entities operating within its boundaries under section 163.08.

BACKGROUND: Florida Statutes 163.08, or the PACE Statute as it is colloquially referred as, authorizes local governments to finance green energy/weather-resistant home improvements for property owners by levying non-ad valorem assessments against the property. For the purposes of administering the PACE program, a "local government" is defined as "a county, a municipality, a dependent special district as defined in s. 189.012, or a separate legal entity created pursuant to 163.01(7)." While section 163.01(7) authorizes separate legal entities to serve populations within or outside of the members of the entity, section 163.08 expressly provides that the PACE Statute is meant to be "additional and supplemental to county and municipal home rule authority and not in derogation of such authority or a limitation upon such authority." Despite section 163.08's recognition of a county's home rule authority, a 163.01(7) legal entity has recently asserted that it is not subject to local regulations.

Acting on a bond validation judgment rendered by a Circuit Court in Leon County in November 2022, the Florida PACE Financing Authority ("FPFA" and a 163.01(7) entity), sent notices to numerous counties declaring its "independent authority" to operate on a "uniform statewide basis," and beyond the scope of any local ordinances that attempt to regulate it. In January of 2023, Palm Beach County received FPFA's notice, accompanied by FPFA's notice of termination of its Interlocal Agreement with the County, which had authorized it to operate in the County. FPFA informed the County that it intends to continue operating in the County outside of the regulatory structure established through the County's local PACE Ordinance. FPFA then proceeded to operate in Palm Beach County in violation of the PACE Ordinance. The County responded by filing suit against FPFA and the County is currently engaged in legal proceedings to protect the home rule authority

Several counties are involved in similar legal battles with FPFA as lawsuits increase. Local Tax Collectors have also entered the fray, as many have stated their refusal to put FPFA's non-ad valorem assessments on the tax rolls. Further, during this past year's legislative session, there was an attempt to address FPFA's challenge in SB 950. In its final version, the bill proposed a revision to the definition of the term "local government" to clarify that legal entities created pursuant to s. 163.01(7), only have jurisdiction "within the boundaries of the participating members of an interlocal agreement." This revision would have effectively clarified how section 163.01(7) may operate under the PACE Statute, but the bill died on Second Reading Calendar.

ANALYSIS: Not only has this issue engaged counties in unnecessary litigation, but it also threatens the financial well-being of unsuspecting property owners who enter into financing agreements with FPFA or its third-party administrators. Palm Beach County's PACE Ordinance,



which FPFA does not adhere to, has several consumer protection provisions intended to protect against predatory practices. FPFA's noncompliance puts more consumers at risk of entering financing agreements for improvements they cannot afford, which in turn increases their chances of default and eventually losing their properties. Counties across the state are dealing with similar consumer protection issues as a result of FPFA's actions.

For instance, the St. Lucie County BOCC has received complaints from residents and the St. Lucie County Tax Collector who state that homeowners were largely unaware that the loans would affect their tax bills and alarmed that failure to pay the additional PACE-induced property tax payments could result in loss of title through the tax deed process.

Lack of clarity regarding home-rule authority over PACE lenders has resulted in homeowners having been victims of predatory PACE lenders and potentially in danger of losing their homes through the tax deed process. With fees and accumulated interest, the lifetime loan value may exceed the cost of the improvements financed or in some cases exceed the value of the home.

FISCAL IMPACT: The County's PACE Ordinance requires PACE Providers to pay administrative fees for tasks carried out by County Staff on their behalf. Since FPFA asserts that the County does not have the authority to regulate it, the County will not be reimbursed for the tasks carried out on FPFA's behalf.

FAC STAFF NOTES:

- Court Case: Florida Pace Funding Agency [FPFA] v. Florida
 - Bond Validation Hearing <u>Final Judgment</u>
 - Validated FPFA's legal authority to issue up to \$5 billion in debt to finance PACE Assessments
 - The court opinion also declared that FPFA has the unilateral authority to offer PACE financing statewide, even in the absence of an interlocal agreement, and without adherence to any county or city regulatory scheme.
- Bills
 - <u>HB 669</u> *Improvements to Real Property* (2023) by Rep. Fine (Failed):
 - Expands the "qualifying improvements" eligible for PACE financing
 - Revises PACE program requirements regarding underwriting, disclosures, and marketing.
 - Allows for 5 day rescission period
 - Provides maximum terms of financing agreement based on the useful life of qualifying improvements
 - o <u>SB 950</u> Improvements to Real Property (2023) by Senator Rodriguez
 - The underlying bill sought to rename and expand PACE programs to additional qualifying improvements and provide additional consumer protections
 - The Senate struck all original language and amended to only address a clarification of the definition of "local government" within <u>s. 163.08, F.S.</u> Supplemental authority for improvements to real property
 - This amendment included the following clarification: "which has jurisdiction only within the boundaries of the participating members of an interlocal agreement."



- The Senate passed this amendment/bill 37-1
- The bill died in House messages without further consideration

• Statutes:

- In <u>s. 163.08</u>, F.S. Supplemental Authority for Improvements to Real Property, the Legislature declares a "compelling state interest" in enabling property owners to voluntarily finance improved energy consumption and wind resistance related projects to their home. The Legislature further authorizes local governments to finance qualifying home improvements through financing agreements and the related imposition of voluntary assessments. This provides the framework for local governments to administer Property Assessed Clean Energy (PACE) programs at their discretion:
 - A PACE program provides up-front financing for qualifying energy consumption/wind resistance home improvement projects.
 - Administration of the program can be conducted directly by local governments, indirectly through private entities, or any combination thereof, at the discretion of local governments. Meanwhile the billing is ultimately conducted in the form of non-ad valorem assessments on the property owner's property tax bill.
 - The assessments carry fixed interest rates and are generally repaid over the useful life of the home improvements.
 - The eligibility criteria for many PACE loans focuses on the borrower's level of home equity and payment history. This leads PACE lenders to prioritize longtime homeowners and, accordingly, older homeowners, many of whom may live on a fixed income.
 - A priority lien is placed on the property, and the balance remains with the property even in the event that the original owner/borrower sells the property
 - Due to the priority lien, the PACE lender may have the right to foreclose on the subject property, potentially taking the borrower's house away
 - The priority status of the lien has been a source of conflict with traditional home financing instruments—banks and mortgage lenders are reluctant to approve a loan while the PACE lien supersedes their place as first lien holder. Meanwhile, Fannie Mae and Freddie Mac have expressly refused to back mortgages with remaining PACE assessments, unless first-lien status is given to the mortgage loan.
 - Before entering into a PACE financing agreement, a local government shall reasonably determine that the prospective borrower meets the following criteria:
 - No delinquent property taxes/assessments levied on the property tax bill for the prior three years
 - No existing involuntary liens, including, but not limited to, construction liens
 - No notices of default or other property-based debt delinquency for the prior three years
 - Is current on all mortgage debt on the property
 - Issues relating to consumer welfare have surrounded PACE programs since their inception:



- Reports of indiscriminate lending practices, regardless of a borrower's capacity to repay the loan
- Inadequate disclosures regarding the assessment procedure
- U.S. Department of Energy Guidance:
 - The U.S. Department of Energy released Best Practice Guidelines for Residential PACE Financing Programs. The guidelines include provisions on:
 - More rigorous financial eligibility criteria and review of homeowner income, property-based debt, and other related obligations
 - Establishing stronger consumer and lender protections
 - Developing and requiring more effective disclosures and procedural education for prospective borrowers
 - A right to cancel the purchase of PACE-related improvements
 - Non-acceleration in the event that a property owner defaults on a PACE assessment
 - Identifying and addressing the vulnerabilities of low-income, fixed-income, and elderly homeowners

The full guidelines can be found here.

SUBMITTING COUNTY AND CONTACT: Palm Beach – Ryan Maher <u>maher@pbcgov.org</u> (561) 355-3628; St. Lucie County – Alice Sennott <u>sennottal@stlucieco.org</u> (772) 462-6427 Florida Association of County Attorneys (FACA)

ASSIGNED COMMITTEE: FTA

BOARD SUPPORT: Nassau, Pinellas, Alachua, Pasco, St. Johns, Lee, Hendry, Leon, Lake

UNFUNDED MANDATE: No

PROTECTIVE OF HOME RULE: Yes



Comprehensive Waste Reduction and Recycling Plan

Comprehensive Waste Reduction and Recycling Plan

Draft Priority Statement:

The Florida League of Cities SUPPORTS legislation that directs the Florida Department of Environmental Protection to develop a comprehensive waste reduction and recycling plan by July 2025 with input from a technical assistance stakeholder group. The plan should include strategies to increase Florida's recycling rates through sustainable materials management and recycling materials market development, which may include consideration of the feasibility of implementing an advance disposal fee for beverage containers.

Background:

In 2008, the Legislature set a statewide goal to recycle at least 75% of municipal solid waste by 2020. It is uniformly recognized the 75% goal was arbitrary and not based on practical, economic, or technical feasibility. The 75% goal was not achieved by the 2020 deadline, but the state made significant strides in increasing recycling rates overall. By 2020 Florida's statewide recycling rate had increased to 50%. The Florida Department of Environmental Protection released a report entitled "Florida and the 2020 75% Recycling Goal." The Report recommended convening a technical assistance group (TAG) to develop a comprehensive waste reduction and recycling plan for Florida. The Report envisioned the TAG developing recommendations for the plan, which would include the following:

- Identifying a set of recycling goals that use sustainable materials management and waste diversion concepts;
- Developing objectives and proposing a three-year plan to develop a recycling market, education and outreach, and local government assistance; and
- Proposing statutory language to implement the revised recycling goals and strategies.

The Report also incorporated recommendations to:

- Replace the current 75% weight-based goal with a goal or set of goals that are better indicators of program performance and desired environmental and economic outcomes;
- Using sustainable materials management to prioritize which materials to recycle based on environmental metrics and market availability and setting recycling goals for these specific materials; and
- Focusing on three strategies: education and outreach, funding and incentives to support local government recycling efforts, and developing recycling markets.

SB 506 and HB 1427, filed in the 2023 legislative session, would have implemented the recommendations of DEP's Report. The bills did not pass but the bills are expected to be refiled for the 2024 legislative session.

Advance Disposal Fee for Beverage Containers (aka "bottle deposits")

Approximately 10 states require bottle deposits on various beverage containers to reduce litter and increase recycling rates. These programs require an additional fee on beverage containers

at the time of purchase. The fees are recouped by the consumer when the container is returned. While bottle deposit programs have had a significant impact on reducing litter, the evidence is mixed as to their effectiveness in improving recycling rates and their cost when measured against other recycling strategies, such as residential curbside recycling. If Florida implemented a bottle deposit program, the state would need to address potential impairment of contract issues for local governments that use franchise arrangements for waste and recycling collection. The Maryland League of Cities opposed a proposed bottle bill program for this reason. Bottle deposit programs have an inherent paradox that may limit their success. These programs have a high upfront and operating costs, which are offset by revenue generated from unredeemed deposits. As redemption rates improve (more consumer refunds), unredeemed deposits shrink. This leaves the government with an expanded program and fewer funds to run it.

Florida adopted a bottle deposit requirement in 1988 and implemented the requirement in 1992. At that time, the League supported the concept with the caveat that the program achieve recycling goals with "significantly less government funding and bureaucracy than any other available means." The program was aggressively opposed by beverage companies and retailers and the Legislature allowed the program to sunset in 1995. Since that time, industry opponents have quickly scuttled any bottle deposit proposals. SB 50, filed in the 2020 session, would have required a deposit fee and the use of bottle redemption centers and reverse vending machines. The bill failed to get a committee hearing and had no House companion bill. While continuing to oppose bottle deposit programs, industry and retailers have focused on other strategies to improve container recycling and source reduction, including using recycled materials in new containers and providing financial support for consumer recycling education, residential curbside recycling programs, and recycling programs at schools and institutions.

If Florida were to develop a comprehensive waste and recycling program, a bottle deposit program could be assessed as a possible strategy for increasing waste diversion and recycling. The assessment would need to consider the potential benefits and the potential adverse consequences of such a program compared to other alternatives.


Policy Development Process

Past Priorities and Policies UNRPW Legislative Policy Committee

2023 Legislative Session

Priority – Water Resources Planning

The Florida League of Cities SUPPORTS legislation establishing a statewide coordinated planning and prioritization approach for water resource investments that funds Florida's current and projected water needs in an equitable manner, and which authorizes Comprehensive Watershed Management projects to qualify for funding under the state Water Protection and Sustainability Trust Fund.

Policy – Water & Wastewater Operator Licensure (Passed in 2023)

The Florida League of Cities SUPPORTS legislation to address workforce shortages in municipal water and wastewater facilities by: 1) defining facility operators as critical and essential workers; 2) providing reciprocity with other states for licensure of facility operators; 3) allowing credit towards licensure for military experience and time served performing similar functions; and providing flexibility for facilities to use retired or out of state operators in emergencies.

2022 Legislative Session

Priority -- Tree Protection (Passed in 2022)

The Florida League of Cities SUPPORTS legislation to close loopholes and create standards in current law exemptions from municipal tree ordinances that have caused litigation and abuses, including the clear-cutting of land pre-development and the removal of healthy trees that present little, if any, risk to persons or structures. Current law should be amended to apply only to developed single-family residential property, identify industry-appropriate standards for assessing tree risk and identify necessary documentation.

Policy -- Per- and Polyfluoroalkyl Substances (PFAS) (Passed (partial) in 2022)

The Florida League of Cities SUPPORTS legislative action to address growing concerns about PFAS in soil and water, including coordinating with the Environmental Protection Agency to establish science-based cleanup target levels, providing resources for testing and research, public education and risk assessment guidelines, establishing liability protection for entities that have legally used PFAS for fire suppression or have passively received PFAS, and developing cost-effective and risk-based corrective strategies for PFAS.

2021 Legislative Session

Policy – Surface Water Discharges

The Florida League of Cities SUPPORTS legislation that establishes reasonable timeframes for utilities to eliminate, with specified exceptions, non-beneficial discharges to surface water unless a utility demonstrates it is not environmentally, technically and economically feasible.

Policy – Resiliency

The Florida League of Cities SUPPORTS legislation that promotes a resilient and sustainable Florida, including:

- Funding for water quality improvements
- Policies and funding for alternative water supply development
- Intergovernmental coordination and planning on strategies to address coastal and inland flooding

2020 Legislative Session

Priority – Water Resources

The Florida League of Cities SUPPORTS legislation to address Florida's water quality crisis and water supply deficiencies that:

- provides for an annual assessment of the state's water infrastructure and water quality improvement needs at the state, regional and local levels.
- establishes a framework for a state water infrastructure and water quality funding program that includes objective criteria tied to beneficial returns on investment, sustainable utility practices and intergovernmental coordination.
- identifies potential sources of funding or financing.

Policy – Resiliency

The Florida League of Cities SUPPORTS the Office of Resilience and Coastal Protection and will SUPPORT legislation to fund and coordinate state resiliency programs with those of local governments.

2023-2024 FLC Legislative Policy Process

The Florida League of Cities' (FLC's) Charter and Bylaws specify that the League shall engage only on legislation that pertains directly to "municipal affairs." "Municipal affairs" refers to issues that directly pertain to the governmental, corporate and proprietary powers to conduct municipal government, perform municipal functions, render municipal services and raise and expend revenues. Protecting Florida's cities from egregious far-reaching attacks on Home Rule powers will always be the top priority.

Each year, municipal officials from across the state volunteer to serve on the League's legislative policy committees. Appointments are a one-year commitment and involve developing the League's Legislative Platform. The Legislative Platform addresses priority issues of statewide interest that will most likely affect daily municipal governance and local decision-making during the upcoming legislative session.

Policy committee members also help League staff understand the real-world implications of proposed legislation, and they are asked to serve as advocates throughout the year. To get a broad spectrum of ideas and better understand the impact of League policy proposals on rural, suburban and urban cities of all sizes, it is ideal that each of Florida's cities be represented on one or more of the legislative policy committees.

The Florida Legislature convenes the 2024 Legislative Session on January 9. The League's legislative policy committee meetings commence in September 2023 and meet three times.

There are currently five standing legislative policy committees:

Finance, Taxation and Personnel Committee: This committee addresses municipal roles in general finance and tax issues, Home Rule revenues, infrastructure funding, insurance, local option revenues, pension issues, personnel and collective bargaining issues, revenue sharing, tax and budget reform, telecommunications and workers' compensation.

Land Use and Economic Development Committee: This committee addresses policies specific to municipal concerns with community redevelopment, economic development, growth management and land use planning issues, annexation, eminent domain, tort liability, property rights and ethics.





2023-2024 FLC LEGISLATIVE POLICY PROCESS

Municipal Administration Committee: This committee addresses municipal concerns with code enforcement, elections, emergency management, gaming, homeland security, public meetings, public property management, public records, public safety and procurement, charter counties and special districts.

Transportation and Intergovernmental Relations Committee: This committee addresses municipal concerns relating to transportation and highway safety, as well as aviation, affordable housing (and homelessness), billboards, building codes, charter schools, rights-of-way and veterans affairs.

Utilities, Natural Resources and Public Works Committee: This committee addresses policies specific to municipal concerns with coastal management, energy, environmental and wetlands permitting, hazardous and toxic wastes, recycling, solid waste collection and disposal, stormwater, wastewater treatment and reuse, water management and water quality and quantity.

At the last meeting, each of the five policy committees adopts ONE legislative priority that will be submitted to the Legislative Committee. The Legislative Committee is composed of:

- > Each legislative policy committee chair and the chairs of the other standing committees
- The president of each local and regional league
- The presidents of several other municipal associations
- Chairs of the municipal trust boards
- Several at-large members appointed by the League President.

The policy priorities, as adopted by the Legislative Committee, are then recommended to the general membership for approval as the League's Legislative Platform.





2023-2024 FLC LEGISLATIVE POLICY PROCESS

In addition, a legislative policy committee may, but is not required to, recommend ONE policy position related to other relevant legislative issues. The policy position must satisfy the same criteria above for legislative priorities. The recommended policy position will be considered by the Legislative Committee. If favorably considered by that committee, it will be considered by the general membership. If adopted by the general membership, the policy position may be published and communicated to legislators and others, as appropriate.

Due to Sunshine Law issues, only one elected official per city can be represented on a committee, but a city could have an elected and a non-elected city official on each of the five policy committees. Appointments are made by the League President based upon a city official's support and advocacy of the Legislative Action Platform and participation at meetings, Legislative Action Days and other legislative-related activities.

2023 Legislative Policy Committee Meeting Dates

- September 8, 2023, 10:00 a.m. to 2:00 p.m. at the Rosen Centre Orlando, 9840 International Drive, Orlando, FL 32819
- October 6, 2023, 10:00 a.m. to 2:00 p.m. at the Gaylord Palms Resort & Convention Center, 6000 West Osceola Parkway, Kissimmee, FL 34746.
- November 30, 2023, during the FLC Legislative Conference at the Hilton Orlando, 6001 Destination Parkway, Orlando, FL 32819.

If you are interested in serving or learning more, please contact Mary Edenfield at 850.701.3624 or *medenfield@flcities.com*.





Key Dates



2023 - 2024 Key Legislative Dates

October 2023

6	FLC Policy Committee Meetings (Round 2) – Gaylord Palms Resort & Convention Center, 6000 West Osceola Parkway, Kissimmee, FL 34746
9-13	Interim Legislative Committee Meetings (Senate only)
16-20	Interim Legislative Committee Meetings
17-18	FAST Fly-In – Washington, D.C.
November 2023	
6-9	Interim Legislative Committee Meetings
13-17	Interim Legislative Committee Meetings
16-18	NLC City Summit – Atlanta, GA
29-Dec. 1	FLC Legislative Conference – Hilton Orlando, 6001 Destination Parkway, Orlando, FL 32819
December 2023	
4-7	Interim Legislative Committee Meetings
11-15	Interim Legislative Committee Meetings
January 2024	
4	FLC Pre-Legislative Session Webinar at 2:00 p.m. ET
9	Regular Legislative Session Convenes
29-31	FLC Legislative Action Days – Tallahassee, FL
March 2024	
8	Last Day of Regular Legislative Session
11-13	NLC Congressional City Conference – Washington, DC
19	FLC Post Legislative Session Webinar at 2:00 p.m. ET

For further details about the mentioned events, contact *medenfield@flcities.com*.



Home Rule Hero Criteria

Do you want to become a HOME RULE HERO?

AS THE ADAGE GOES, "ALL POLITICS IS LOCAL." Successful advocacy starts at home, not in Tallahassee. No one – not even a professional lobbyist – can tell your community's story better than you. Your involvement helps the League's legislative team turn the abstract into concrete. It is essential to help legislators understand how their decisions may impact their communities back home.

The League appreciates the individual advocacy efforts undertaken by municipal officials throughout the state. Each year, there are some League members who make an extraordinary effort; people who stand out for their high level of participation and effectiveness. The Home Rule Hero Award was created to acknowledge and thank them for their efforts. Hundreds of municipal officials have been recognized as "Home Rule Heroes" since the award's inception in 2009, and we thank you!

Home Rule Hero Award recipients are selected by the League's legislative team following each legislative session.

For the award, the most important criteria are timely responses and actions to FLC's Legislative Alerts, and notifying FLC staff of communications with your legislators.

Other exceptional efforts are:

- Attending the Florida League of Cities' Legislative Action Days in Tallahassee and Legislative Conference.
- Testifying before a House or Senate committee on an FLC priority issue, when a call to action has been sent out.
- Participating in FLC's Monday Morning "Call-ins" during session and on FLC's pre-and postlegislative session webinars.
- Participating in FLC's Legislator "Key Contact" program.
- Meeting legislators in their districts or in Tallahassee.
- Responding to FLC requests for information and data about how proposed legislation will specifically impact your city (telling your city's "story").
- Speaking at local legislative delegation meetings to discuss FLC municipal issues.
- Setting up opportunities for legislators and their staff to attend a city council meeting or special event; tour a park, project or facility; and attend a local league meeting.
- Serving on a FLC legislative policy committee.
- Participating in a Federal Action Strike Team fly-in to Washington, D.C.
- During an election year, providing opportunities for candidates for legislative offices to learn about your city and its issues, and introducing candidates to key city stakeholders or those in your professional network.

For more information on these activities and ways to step up your advocacy game, please contact Allison Payne at *apayne@flcities.com*.





Notes



