



**SOUTHERN WATER USE CAUTION AREA:
RELOCATION OF PERMITTED WATER BETWEEN USERS AND/OR USER TYPES**

Issue:

In attempts to aid in the recovery of the water resource in the Southern Water Use Caution Area (SWUCA), the Southwest Florida Water Management District (SWFWMD) drafted a recovery strategy document. The document contains a regulatory provision pertaining to the relocation of permitted water.

Within this provision, if a water use permit holder voluntarily proposes to relocate all or a portion of their existing permitted water quantities to another owner and/or use type, the only quantities available for relocation will be reasonable-beneficial, historically used quantities. Upon relocation, the District will remove all unused permitted quantities from the original existing water use permit.

Background:

SWUCA encompasses approximately 5,100 square miles, including eight counties (all of DeSoto, Hardee, Manatee and Sarasota counties, and portions of Charlotte, Highlands, Hillsborough and Polk counties) in the southern portion of SWFWMD. Due to growing demands from public supply, agriculture, mining, power generation and recreational uses, groundwater withdrawals steadily increased and peaked in the mid-1970s. With increasing pressures for groundwater, the aquifer levels within the basin declined resulting in saltwater intrusion, reduced flows in the upper Peace River and lowered lake levels in the upland areas of Polk and Highlands counties.

Beginning January 1, 2003, in attempts to decrease groundwater withdrawals and prevent further environmental damage, permitted groundwater withdrawals were cut back from existing agricultural permits. This rule is known as SWUCA I.

Currently, SWFWMD is drafting a recovery document for this Water Use Caution Area known as the SWUCA Recovery Strategy. The governing board has provided their staff with three governing principles on which rules within the recovery document must be based. The three principles are:

- *Contribute significantly to recovery
- *Protect investments of existing water use permit holders
- *Allow for economic expansion and new economic activities

Within the SWUCA Recovery Strategy document is a rule that allows a water use permit holder to relocate their existing reasonable-beneficial, historically used quantities to another owner and/or for another use type. The District describes relocation as the redistribution of all or a portion of an existing permitted quantity, subject to evaluation utilizing applicable rule criteria and having similar or less impacts to a Minimum Flow or Level of a water body, and issuance of a permit or permits reflecting the distribution. Upon relocation, the unused quantities associated with the original existing permit will be removed from the water use permit. However, if a water use permit holder wishes to relocate their permitted water quantities to themselves for the same use type, for example a farmer wishes to move their existing farming operation to a new location, all existing quantities, both historically used and unused, will remain intact with that permit. It is important to note that SWFWMD expects agricultural water use to remain stable if not decline over the next several decades. During the past half-century agricultural water use has substantially increased and become the dominant water use within SWUCA. However, between 1990 and 1999 agricultural acreage has declined in SWUCA where urban expansion is occurring.

Analysis:

Within SWFWMD, there have been cases in which a water use permit holder modified their water permit to transfer water to a new user for financial gain. In SWUCA, where new water quantities are no longer permitted, relocating permitted water quantities has a large potential for becoming a profitable market (treating water as a commodity). Agriculture is the largest permitted water user within SWUCA and therefore the agriculture industry has the ability to transfer large quantities of water and receive an economic incentive to do so. As the area is encroached by development, power and public supply companies will continue to seek water sources. Agriculture will be the industry they look at for receiving water quantities.

The long-term affects on the agricultural industry are not known. There is currently much debate revolving around whether or not permit holders that relocate water quantities should be able to keep their unused quantities or if the unused quantities should be taken away. The allowance of relocating water to another user or use type while maintaining the use of unused quantities would allow water use permit holders to grow into unused quantities and in turn increase water quality issues within SWUCA. This would have the potential to harm existing legal users, including farmers that rely on groundwater as their water source.

Another issue is in regards to the availability of groundwater sources to power, development and public supply companies. If companies can receive relocated quantities from agricultural operations, will the incentives for large companies to research and develop alternative supplies diminish?

As agricultural lands within SWUCA transition to other uses, should the water permit holder have the prerogative to relocate all quantities of water, used and unused? Can the financial gain from the relocation of permitted water quantities be used to supplement farming income? Once farmers have relocated all of their permitted water quantities, will farmers ever be able to afford to buy water back, and if not, will farming in Water Use Caution Areas cease to exist?

FFBF Policy:

The Florida Farm Bureau Federation does not currently have a policy set forth to support or not support relocating permitted water quantities between users and/or use types. However, during the June 2004 state board meeting, the board of directors created an interim policy to support the water management district in retiring unused water quantities when a permit holder voluntarily decides to relocate all or a portion of any used quantities associated with an existing permit.

Also, the Florida Farm Bureau does have two policies that support statements within the analysis portion of this document.

We strongly encourage research into alternative water sources. We support legislation and policies that encourage or require urban and public water utilities to utilize and enhance land water supplies including but not limited to Aquifer Storage and Retrieval (ASR), desalinization and reuse.

We oppose the inter-county transfer of ground water that causes an adverse economic or environmental impact.

Action:

Florida Farm Bureau Federation members should decide if policy is needed in regards to the relocation of water within a Water Use Caution Area.