**EXHIBIT B**

**Position:** The City of Cape Coral SUPPORTS legislation that addresses state wide water quality and quantity issues that affect local community efforts to revitalize and protect Florida's public water supply, aquifers, surface waters, estuaries and springs. Proposed legislation should take into consideration the following policy statement, which was adopted by the Florida League of Cities on November 16, 2018:

**FLORIDA LEAGUE OF CITIES POLICY STATEMENT:**

The Florida League of Cities SUPPORTS legislation to address the state's critical water resource and water quality deficiencies to mitigate the negative economic impact of these issues through priority corrective actions and funding. The legislation should include:

- establishment of a dedicated and recurring source of state funding to meet current and projected local government water supply and water infrastructure needs;

- annual assessment by the State of the state, regional and local water resource and water quality infrastructure improvement needs; and

- development of regional plans to prioritize actions and schedules for addressing integrated water quality and water supply needs based on objective criteria.

**Background Information:** Florida's ability to meet the water needs of its growing population, industries and natural environment exceeds available supply and Infrastructure. $48.71 billion is estimated to be needed over the next 20 years to meet needs for drinking water and wastewater, flood control, nutrient pollution, Everglades restoration, and beach and inlet erosion. Florida does not have a dedicated, long-term, recurring source of funding for water supply, water quality and associated infrastructure.

In 2005, the Florida Legislature took initial steps to establish a dedicated source of funding for water quality and water supply projects by creating and funding the Water Protection and Sustainability Program. Local funding matches and transparent grant criteria were hallmarks of the program. The program was funded with $100 million in recurring revenues – an amount that represented less than 1% of the state's total budget. During the program's first three years, the state and water management districts contributed $423 million for alternative water supply development, that funded 344 local projects. These projects were anticipated to generate 842 million gallons of new water per day. The program was drastically cut in 2008, and funding to the trust fund was eliminated in 2009.

Other than the brief success of 2005's SB 444, Florida's history of water project and infrastructure funding has been one of band-aids and crisis management. Dying springs and algae-choked estuaries prompted the passage of SB 552 and HB 989 in 2016. Among other things, these bills required septic

Tank remediation plans for certain spring sheds and provided dedicated percentages of Amendment 1 money for the benefit of the Everglades and surrounding estuaries, Lake Apopka and springs.

Continued algae blooms in South Florida estuaries prompted passage of SB 10 in 2017, which provided a $1.5 billion plan for water storage needed to combat nutrient pollution in these areas.

These bills were critically needed, but problems persist throughout the state and continue to grow. The extent and nature of the state's water and infrastructure problems vary among regions and communities. For some local governments, their most acute need is finding resources to mitigate nutrient pollution from septic tanks. Others are desperately seeking ways to increase available water supply through the creation of alternative water supplies, including reuse of reclaimed water. Still others grapple with the enormity of retrofitting their community against increasing tidal and storm flooding.

SB 552, passed in 2016, created section 403.928, F.S., to require the state Office of Economic and Demographic Research (EDR) to conduct an annual assessment of Florida's water resources and conservation lands. The assessment is required to include an analysis and estimates of future expenditures by federal, state, regional and local governments and utilities based on projected water supply and demand data, and historical, current and projected revenue and expenditure data. The EDR assessment report should be refined and enhanced to identify future needs over the short, intermediate and long-term. This needs assessment and identification will assist policymakers in prioritizing and maximizing efficient use of state funds.

**Cape Coral Proactive Initiatives:**

- Cape Coral currently has the largest underground, utility expansion project in the nation, perhaps world. The city has committed to do their part and set an example for other communities through the expansion of centralized water, sewer and irrigations services,
- Cape Coral is considered a 100 percent reclaimed water use utility.
- World class reclaimed irrigation water system that conserves billions of gallons annually.
- Tiered conservation water utility rates. (ex. The more water used results in higher rates).
- Reclaimed water hydrants at each wastewater lift station that is used to clean and properly maintain the station.
- Over 60,000 potable water meters installed at every potable water connection.
- City's two reverse osmosis water treatment plants blend back 20% of the raw brackish water which boosts water recovery to 80 percent.
- Instituted 2 day, 4 hours per week outdoor watering restrictions on irrigation water use.

Utilities Extension Project (UEP)

Cape Coral is one of the largest municipalities by land area in Florida and is pre-platted. Approximately one-half of the City's pre-platted parcels are not currently served by centralized water and sewer services. In 2012, City Council approved the extension of water, sewer and irrigation utilities to approximately 12 square miles covering nearly 20,000 parcels. The Utilities Extension Project (UEP) is presently broken down into three project areas designated as SW 6 & 7, North 2 and North 1. Construction for SW 6 & 7 is substantially complete using FDEP SRF Loans for Clean Water and Drinking Water. The anticipated benefits of the UEP include but are not limited to: removal of private septic systems, some of which are failing or near failing; removal of private potable water wells that could be impacted by adjacent septic systems; improved water quality in the canal systems by reducing phosphorus and nitrogen as septic systems are eliminated and providing reuse water for irrigation which conserves potable water resources.

North 2, the second of the three areas, is also financed primarily through low interest FDEP SRF Clean Water and Drinking Water SRF Loans. Currently under construction, North 2 will extend water, sewer and irrigation service to approximately 8,900 pre-platted parcels. As the City continues to extend utility infrastructure throughout the remainder of Cape Coral, we will be applying for future FDEP SRF Loans, as well as other applicable State and Federal grants.