



PUBLIC HEARING: CHAPTERS 62-4, 62-330 AND 62- 332, F.A.C. WATER QUALITY ENHANCEMENT AREAS

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AGENDA

WATER QUALITY ENHANCEMENT AREAS



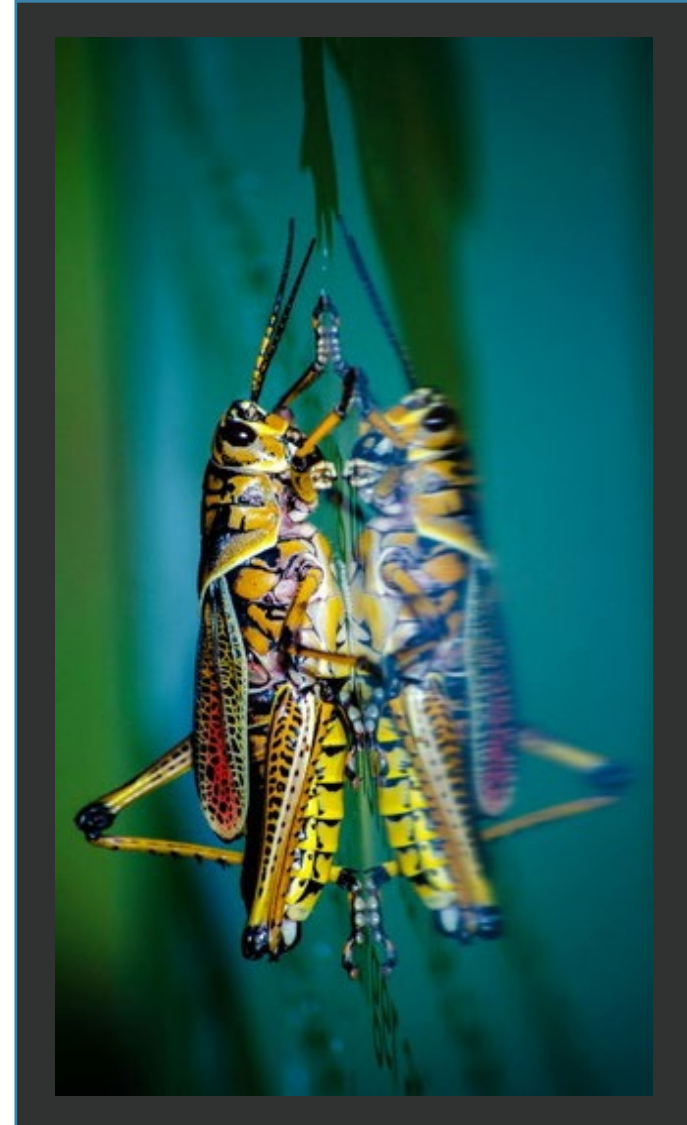
- Legislative recap.
- Public engagement.
- Overview of rulemaking.
 - Chapter 62-332, Florida Administrative Code (F.A.C.).
 - Chapter 62-4, F.A.C.
 - Chapter 62-330, F.A.C.
 - Applicant's Handbook Volume I.
- Next steps.
- Public comments.



LEGISLATIVE RECAP

WATER QUALITY ENHANCEMENT AREAS

- **Chapter 2022-215, Laws of Florida (L.O.F.)** (2022 House Bill [HB] 965).
 - Required creation of rules for water quality enhancement areas (WQEAs).
 - Restricted credit use to public entities to meet environmental resource permitting (ERP) or basin management action plan (BMAP) requirements.
- **Chapter 2024-144, L.O.F.** (2024 Senate Bill [SB] 1532).
 - Defined the term “applicant.”
 - Allowed for credit use by private entities as well as public entities.
 - Allowed credits to be used to meet ERP performance standard.
- **Chapter 2026-60, L.O.F.** (2026 SB 848).
 - Added additional definitions.
 - Included regional stormwater management system provisions.
 - Allowed for provisional permit before the rule is effective.





LEGISLATIVE RECAP (2)

CHAPTER 2026-60, LAWS OF FLORIDA



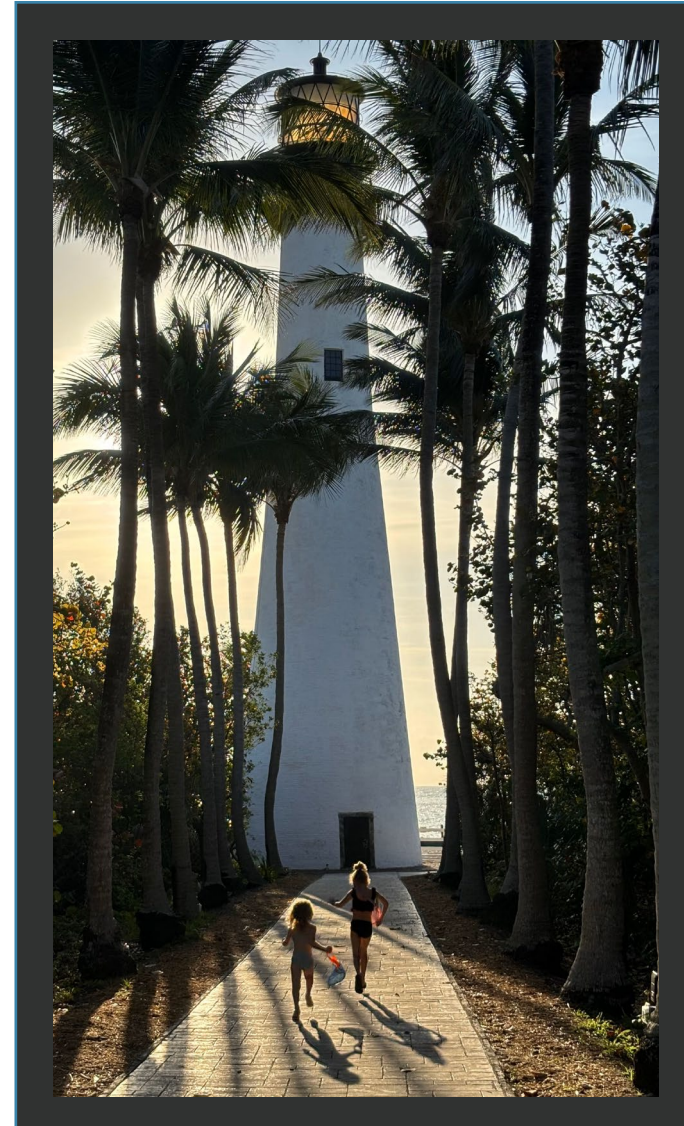
- Effective July 1, 2026.
- WQEA provisions.
 - Provisional permits.
 - Hydrologic Unit Code (HUC) 8 service area.
- Regional stormwater management systems provisions.
 - Financial assurance requirements.
- Use of the term “credit.”
- Oct. 1, 2026, rulemaking deadline.



PUBLIC ENGAGEMENT

WATER QUALITY ENHANCEMENT AREAS

- Chapter 2022-215, L.O.F. – effective July 1, 2022.
 - **Workshop #1** held Nov. 8, 2023.
 - **Workshop #2** held March 21, 2024.
- Chapter 2024-144, L.O.F. – effective July 1, 2024.
 - **Workshop #3** held July 31, 2024.
- **Workshop #4** held May 20, 2026.
- Chapter 2026-60, L.O.F. – effective July 1, 2026.
- **Public Hearing** held Aug. 25, 2026. ***TODAY***





PURPOSE OF CHAPTER 62-332, F.A.C.

WATER QUALITY ENHANCEMENT AREAS

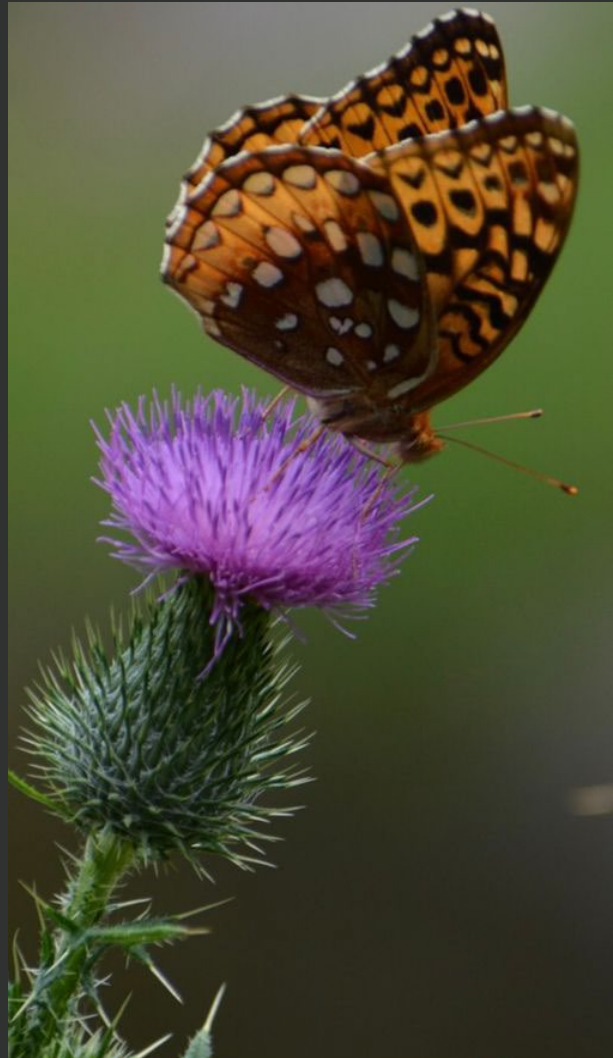
- Water quality improvements and adverse water quality impacts of activities regulated under Part IV of Chapter 373, Florida Statutes (F.S.), may be addressed by the construction, operation, maintenance and long-term management of WQEAs that provide offsite compensatory treatment.
- Enhancement credits are intended to provide ERP applicants flexibility to:
 - Satisfy performance standards set forth in ERP Applicant's Handbook Volume I.
 - Meet allocations of an adopted BMAP or reasonable assurance plan (RAP) under section 403.067, F.S.





RULE 62-332.200, F.A.C.

NEW AND AMENDED DEFINITIONS



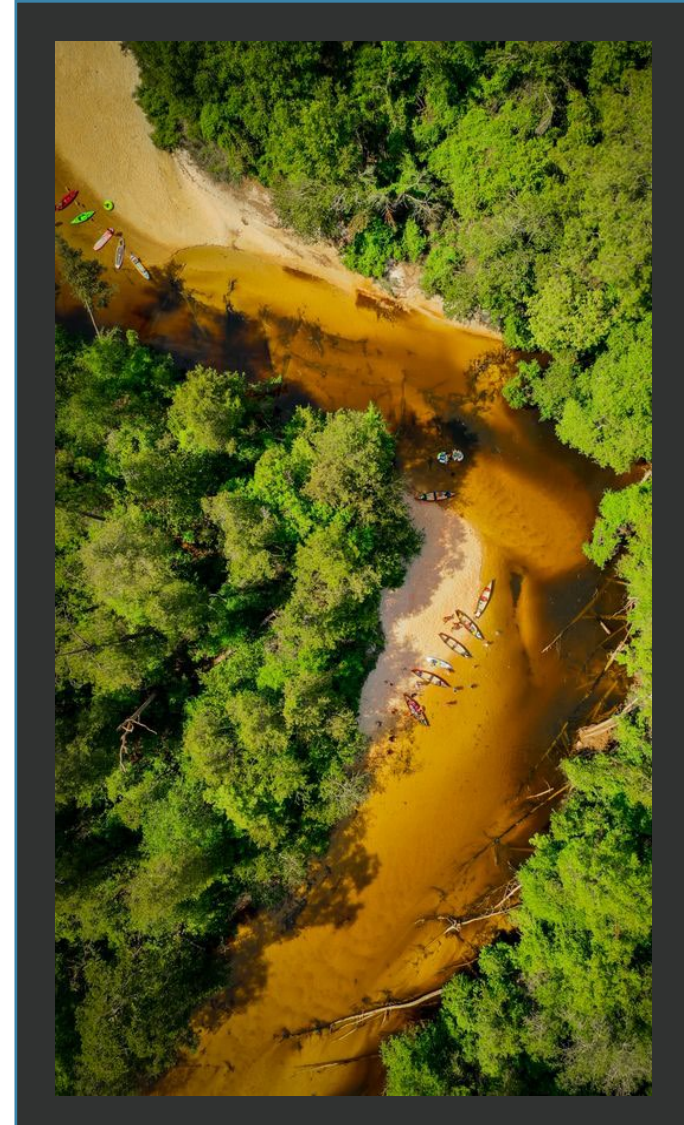
- **Adds definitions** to clarify rule requirements:
 - “Agency.”
 - “Reservation letter.”
- **Amends definitions** to clarify rule requirements:
 - “Enhancement credit.”
 - “Natural system.”
 - “Target waterbody.”
 - “Water quality enhancement area permit.”



RULE 62-332.300, F.A.C.

GENERAL REQUIREMENTS

- Establishes that WQEAs shall be permitted by the Florida Department of Environmental Protection (DEP).
- Specifies that DEP, water management districts and local delegate programs will review the use of credits for ERPs.
- Allows a governmental entity to be a WQEA owner and use the credits only for its own water quality needs; specifies that it cannot sell enhancement credits to third parties.
- Prohibits WQEAs from being constructed wholly over surface waters of the state, as defined in section 403.031(23), F.S., or constructed in such a manner that the system severs a portion of a surface waters of the state.





RULE 62-332.400, F.A.C.

ESTABLISHMENT OF CREDITS



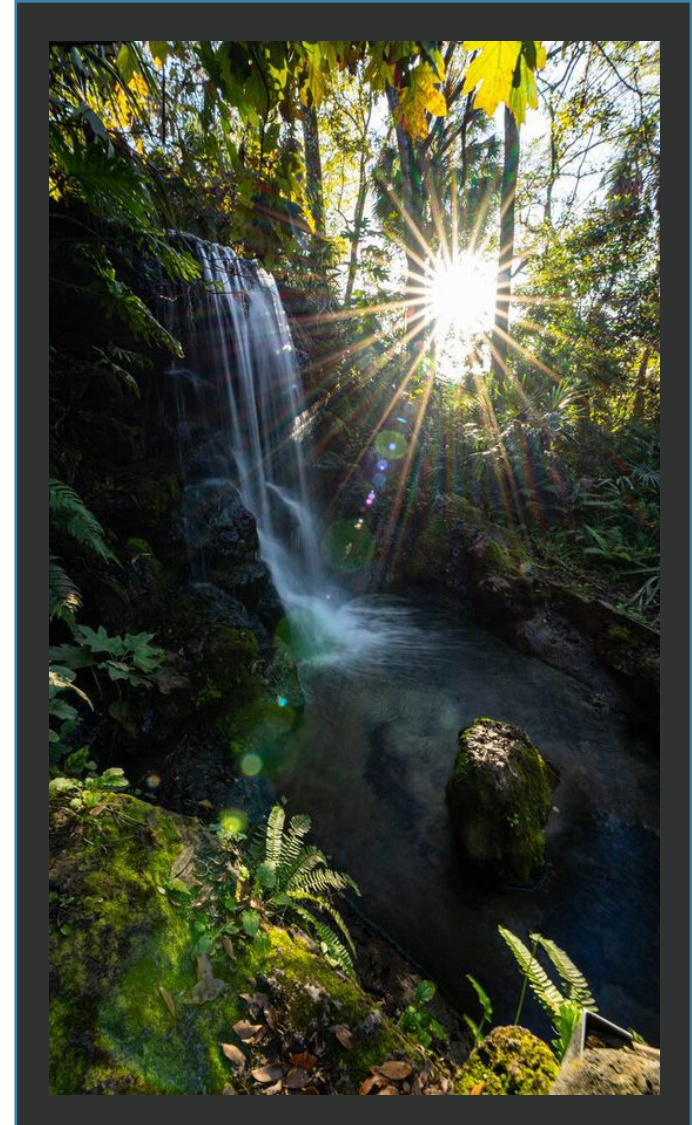
- Establishes the award of credits shall be based on numerical models or analytical tools.
- Requires permit applications to include, at minimum, collection and submittal of:
 - Rainfall data.
 - Anticipated water quality and quantity inflows over a wide range of climatic conditions based on published local data collected over a period of record that most closely matches the rainfall data.
 - Site-specific conditions, proposed stormwater treatment type for stormwater treatment, performance criteria of treatment type and anticipated reduction rates.
- Data provided must be from monitoring stations DEP deems sufficient to determine flows and local water quality conditions.



RULE 62-332.500, F.A.C.

WQEA SERVICE AREA

- Service area criteria:
 - The boundary, at a minimum, must consist of a HUC 8 sub-basin.
 - Modeling provided by the WQEA owner at the time of permit application shall demonstrate the proposed WQEA can reasonably offset pollutant contributions of credit purchasers throughout the extent of hydrologically connected waters within the HUC 8 service area boundary.
 - Service areas may overlap. More than one service area may be within a regional watershed.
- A credit purchaser's ERP project must be hydrologically connected to waters of a WQEA and located within its service area.





RULE 62-332.500, F.A.C. (2)

LOCATIONAL VALUATION FACTOR

- Locational valuation factor (LVF) is a numeric adjustment applied to enhancement credits to account for differences in pollutant transport and concentration variability between the WQEA and the credit purchaser's discharge location.
- LVF has two components:
 - **Transport factor (TF)** – accounts for attenuation between hydrologically connected points.
 - **Variability factor (VF)** – accounts for concentration variability in the target waterbody (HUC 12).



RULE 62-332.500, F.A.C. (3)

LVF CALCULATION, CONT.

FORMULA: $LVF = TF \times VF$.

- $TF = 1 / (1 - \text{Atten}_s)$, where Atten_s is the modeled pollutant attenuation between the WQEA discharge and the purchaser's discharge.
 - If the WQEA's discharge is downstream of the purchaser's project, $TF \geq 2$.
- $VF = 95^{\text{th}}$ percentile concentration/geometric mean concentration within the target waterbody for the pollutant being offset.
 - Period of record $\geq$ five years; if <20 values, use maximum as the 95^{th} percentile.
 - For nutrients, use annual geometric means.
- **Lower bound:** if computed $LVF < 1.0$, set $LVF = 1.0$ (LVF never reduces credits below the base need).
- **Model maintenance:** numerical models used for LVF must be updated at least every 10 years until all credits are withdrawn and the WQEA is in perpetual management.

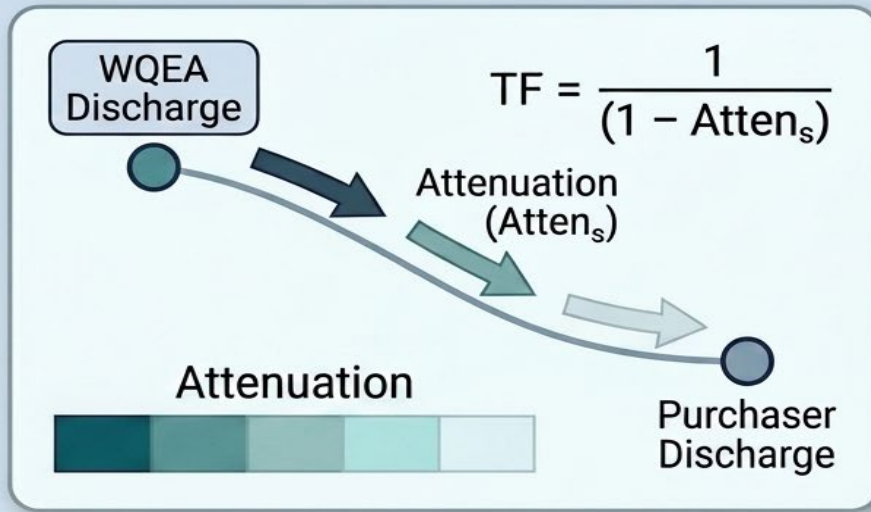


RULE 62-332.500, F.A.C. (4)

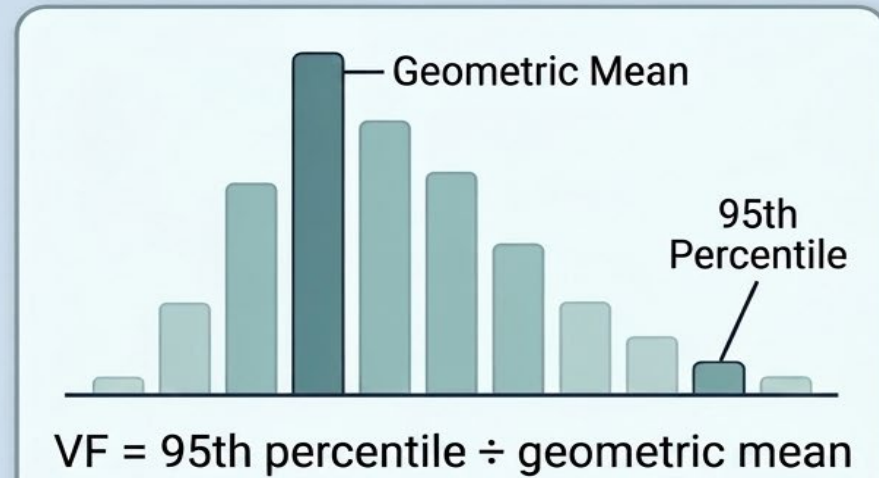
LVF CALCULATION, CONT.

$$LVF = TF \times VF$$

Transport Factor (TF)



Variability Factor (VF)





RULE 62-332.500, F.A.C. (5)

CREDIT CALCULATION

- The permitting agency will adjust the number of credits required using the applicable LVF.
 - Credits required = (annual pollutant removal needed in standard units) × LVF.
 - The LVF may not reduce credits below the base quantity of pollutant removal required.
- The WQEA owner must provide reasonable assurance that credited pollutant load reductions are achieved annually; results will be verified via the monitoring and verification plan.
 - The monitoring and verification plan will be created by the WQEA owner and reviewed and approved by DEP.
 - The plan will outline the process by which load reductions are to be monitored and verified.



RULE 62-332.550, F.A.C.

FINANCIAL RESPONSIBILITIES



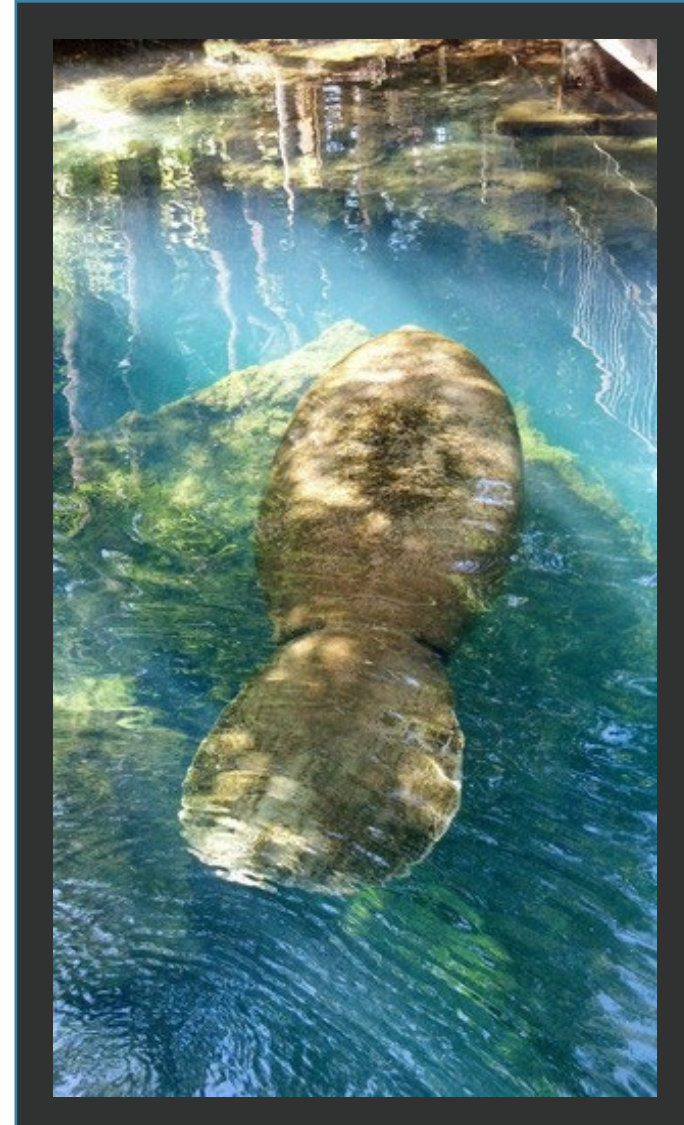
- Establishes financial responsibility for the WQEA.
- Creates new forms and requirements for financial responsibility.
- Investment options match those proposed in the draft mitigation bank rule, Chapter 62-342, F.A.C.
- A financial assurance calculator for the discount percentage rate is included in the “References and Design Aids” for the Applicant’s Handbook Volume I.
- Requires cost estimates and cost adjustments every two years.



RULE 62-332.800, F.A.C.

CREDIT MONITORING AND VERIFICATION

- Requires the WQEA owner to:
 - Propose a performance and success criteria monitoring and verification plan with protocols specific to the treatment type(s) and site-specific conditions.
 - Operate and maintain the WQEA in perpetuity.
 - Annually demonstrate pollutant reductions of no less than the number of credits sold.
 - Pollutant reductions associated with credit use must be maintained in perpetuity, and an owner cannot resell a credit.





UPDATES TO ADDITIONAL ERP RULES

INCORPORATING WQEA



CHAPTER 62-4, F.A.C.

- Includes fee schedule for WQEAs in section 62-4.050(4)(h), F.A.C.

CHAPTER 62-330, F.A.C.

- Reflects that WQEAs are ERPs.
 - Revises ERP, dredge and fill and sovereignty submerged lands authorization application form (62-330.060(1), F.A.C., Section A).
 - Adds new application form, "Supplemental Information Required for Water Quality Enhancement Areas" (62-330.060(1), F.A.C., Section J).
 - Adds new conservation easement form for WQEAs (62-330.301(25), F.A.C.).

ERP APPLICANT'S HANDBOOK VOLUME I

- Includes WQEAs.
 - Revises section 9.7, "Compensating Stormwater Treatment."



APPLICANT'S HANDBOOK VOLUME I

SECTION 9.7.3, MASTER STORMWATER MANAGEMENT SYSTEMS

“Master Stormwater Management Systems are designed, constructed, operated, and maintained to collect, convey, store, absorb, inhibit, treat, or harvest stormwater to prevent or reduce flooding, overdrainage, environmental degradation and water pollution or otherwise affect the quantity and quality of discharges from multiple parcels and projects within the drainage area served by the master system. For Master Stormwater Management Systems, the term “drainage area” refers to the land or development that is served by or contributes stormwater to the master system. All master systems must be maintained in accordance with the provisions outlined in **Section 12** of this volume.

- (a) Records of stormwater treatment allocations for parcels and projects must be reported, per **Section 12.6(d)** of this volume and kept by the permit holder of the master stormwater management system in perpetuity.
- (b) Allocations of load reduction due to stormwater treatment must be measured in pounds or kilograms of pollutant removal.
- (c) The master system shall not allocate more load reduction than its permitted design.
- (d) The master system shall not be authorized to generate and sell pollution reduction allocations to third parties, unless separately permitted in accordance with the additional requirements in **Section 9.7.4** of this volume.”



APPLICANT'S HANDBOOK VOLUME I (2)

SECTION 9.7.4, REGIONAL STORMWATER MANAGEMENT SYSTEMS

- Amends language to reflect regional stormwater management systems (RSMS) considerations in Chapter 2026-60, L.O.F. (2026 SB 848).
- Requires that an applicant provide:
 - Reasonable assurance that it has the financial, legal and administrative capability of undertaking the RSMS in accordance with subsection 373.413(7), F.S., and the capability for completing construction of the RSMS.
 - A long-term financial assurance mechanism capable of funding the RSMS during operation and maintenance and for the entire period the RSMS is expected to provide stormwater treatment, attenuation or pollutant load reductions for third parties.
- Requires that financial assurance mechanisms follow the forms and procedures for WQEAs in Chapter 62-332, F.A.C.



APPLICANT'S HANDBOOK VOLUME I (3)

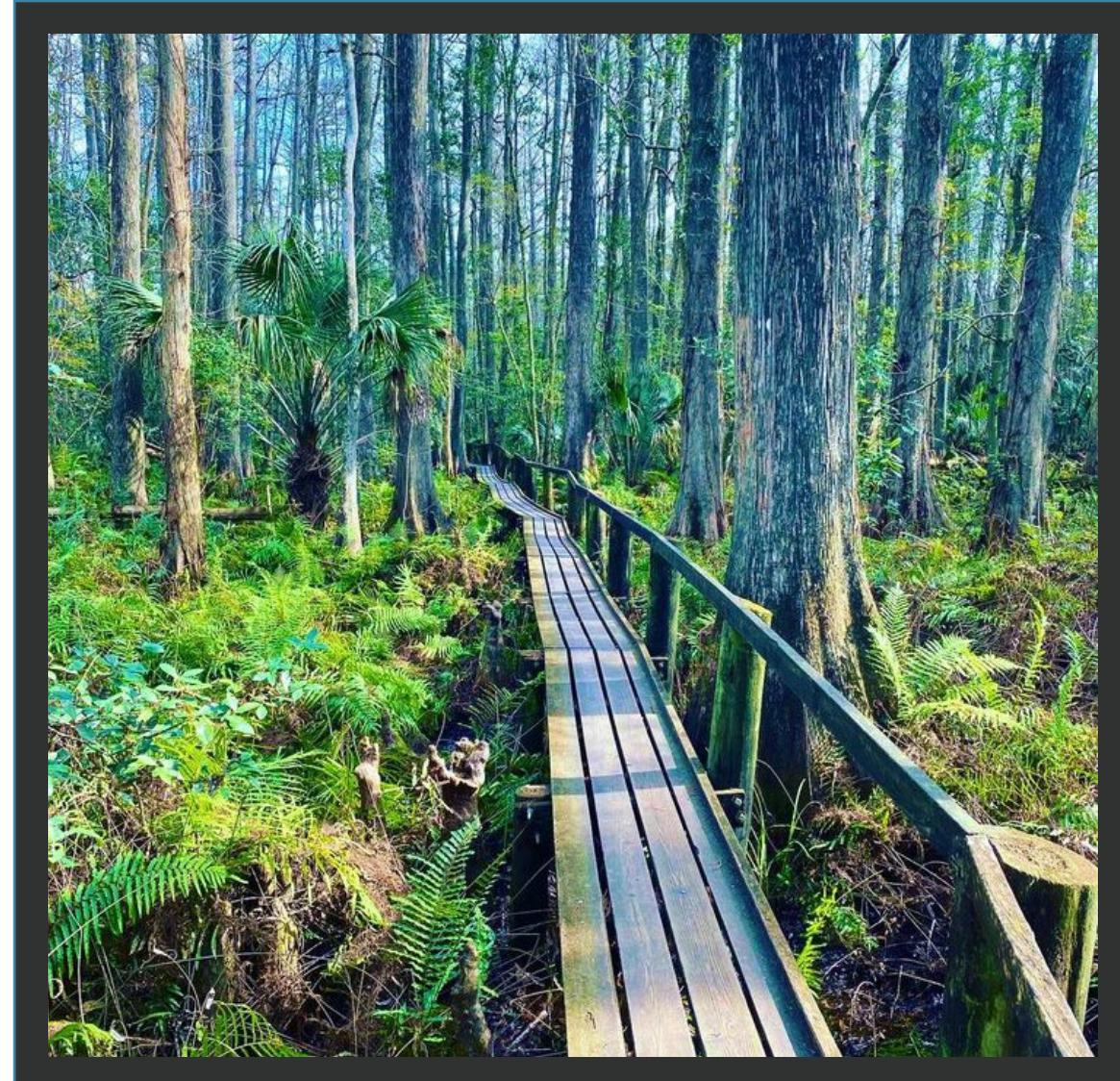
SECTION 9.7.5, WATER QUALITY ENHANCEMENT AREAS

- “Water quality enhancement areas (WQEAs) are natural systems constructed, operated, managed, and maintained for the purpose of providing offsite treatment for which enhancement credits may be generated pursuant to a WQEA permit. A WQEA permittee may sell credits to eligible applicants in accordance with the requirements of Chapter 62-332, F.A.C. Enhancement credits are perpetual. WQEA permittees must provide reasonable assurances for the establishment of enhancement credits.”
- “WQEA permits are issued as individual permits in accordance with Chapter 62-330, F.A.C., and Chapter 62-332, F.A.C. A permitted WQEA shall not receive any other permits pursuant to other permitting programs issued by any agency without first relinquishing the WQEA permit and mitigating for the loss of any credits already sold.”
- “Any use of credits from a WQEA for a proposed port activity must be in accordance with section 311.106, F.S.”



NEXT STEPS

- Based on comments reviewed thus far, DEP anticipates issuing a Notice of Change by Sept. 9, 2026.
- DEP will take under advisement the comments received today, and the comments received in response to the Notices of Proposed Rule.
- At this time, DEP has not received comments from the Joint Administrative Procedures Committee (JAPC). If comments are received from JAPC, DEP may issue another Notice of Change depending on the timing.





PUBLIC COMMENTS





THANK YOU

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