

City of Coral Gables City Commission Meeting
Agenda Item I-4
September 13, 2016
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Jim Cason
Commissioner Pat Keon
Commissioner Vince Lago
Vice Mayor Frank Quesada
Commissioner Jeannett Slesnick

City Staff

City Manager, Cathy Swanson-Rivenbark
Assistant City Manager, Peter Iglesias
City Attorney, Craig E. Leen
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia

Public Speaker(s)

Irene White
Jose Coto
Patrick Bryan

Agenda Item I-4 [12:13:41 p.m.]

Review by the City Commission of the conditions of approval of the pending FPL transmission line permit application related to the Coconut Grove Injection Project, as well as a status report as to the FPL permit application.

Mayor Cason: City Attorney, we have -- let's do the FPL, because we have Rebeca Sosa coming in.

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City Attorney Leen: Yes.

Mayor Cason: And then we have to go into an executive session. So, let's -- you had some...

City Attorney Leen: Yes. So, what I suggest, Mr. Mayor, is that we will -- I will lead in the items right now regarding FPL. And then we have FPL here, and they can answer any questions you have before we go to executive session, which will be also during lunch. We'll come back. That may be when we want to have Commissioner Sosa do her -- the sunshine meeting, and then we can have a final decision as to FPL, if that will be okay, Mr. Mayor. Okay, so the -- this is a review by the City Commission of the conditions of approval of the pending FPL transmission line permit application related to the Coconut Grove Injection Project, as well as a status report as to the FPL permit application. We have with us here today FPL. Before I begin, I just wanted to -- this has been shown to each member of the Commission, but I wanted to provide to you the proposed permit conditions and open issues for the Coconut Grove Injection Project, if you could pass that down. The current status of -- what happened last time this matter came before the Commission, was the Commission adopted a resolution asking staff to expedite the permit application relating to the Coconut Grove Injection Project, and for us to come back at this meeting and to give you a status report regarding that permit application and for us also to work with FPL to try to come up with agreed or at least proposed permit conditions, and also to -- for Commissioner Lago, who was made the Commission's designee, to talk with FPL about the LED -- converting lights in Coral Gables to LED, or perhaps taking over those light contracts through paying of stranded -- something called stranded costs. What that really means is that one of the things that came up in the original settlement agreement was that Coral Gables wanted to take over all the franchise agreements for lights throughout Coral Gables, at least all the ones that were controlled by FPL, and we wanted -- and FPL agreed to that, in principle, as part of the settlement agreement, but they said that we had to pay the stranded costs. So, and what stranded costs are, as I understand, is the -- you know, FPL has to put an investment in every time they essentially put up a light and those are amortized over a certain amount of years, and the amount

of money that they have yet to be able to essentially recoup through the passage of time, that's considered a stranded cost basically. So, anyhow, the -- Commissioner Lago did have a meeting with FPL. I attended, and I know Mr. Iglesias also attended. So, what's before you today is, first, a status report regarding the permit. Mr. Iglesias has expedited the matter with staff. This would be a public works permit with conditions imposed. He's still finalizing the technical review. I know he met with FPL very recently. Did you want to provide any information regarding the status? And that -- by status, I'm not talking about these conditions in front of you. I'm talking about the technical conditions of approval, and the technical issues related to the approval of the permit related to the Coconut Grove Injection Project.

Assistant City Manager Iglesias: Public Works has a few issues, and we are trying to work on the tree issue right now. We just -- they just presented us an alternative yesterday, which I'll be going over today.

City Attorney Leen: Okay. So -- and you'll hear about that at the executive session. So, what the -- so what's before you are these conditions, which are the ones related to the settlement agreement, and because the permit is not ready to be issued, what you would be doing today is you would be -- it's up -- you know, ultimately it's your decision. It's within your discretion. But you would be deciding whether to approve these conditions. If you did approve them, then you would essentially delegate to the Assistant City Manager or to the City Manager's Office, in consultation with my office, because there's litigation related to this, the authority to issue the final permit with these conditions. And then Mr. Iglesias, as Building Official and as ACM supervising Public Works, and also with our new Public Works director I see in the audience, the -- they would issue the permit when it's ready to be issued. They would continue to expedite it, but they would make sure that it -- they're going to apply a technical review, and they will only issue it when it's technically ready to be issued. So, with that, we have FPL here. And before we go to executive session, I wanted to know if the Commission, Mr. Mayor, or any Commissioner had anything they wanted to raise with FPL before. Because the way executive sessions work is once we go into executive session, we can't come in and out and ask questions.

We do the executive session, it ends, and that's the only executive session we can have. Then we come back and you can talk to FPL then at that time, but you have to make your final decision.

Mayor Cason: So, if in our executive session we come up with some things we want to ask FPL, we're not going to ask now, we can do it then?

City Attorney Leen: Yes, but it would have to be in open session.

Mayor Cason: In open session, right.

City Attorney Leen: Yes.

Mayor Cason: Okay. Well, I'd like to know -- I think one of the issues that we discussed was -- I call them the bookends, South Miami and Miami. I would like to know where you are on agreements with those two cities, and specifically, what is your agreement with Miami.

Irene White: Terrific. So, good afternoon. My name is Irene White, Florida Power & Light, Senior Director for External Affairs. It's very good to be here with you, Mayor, Commissioners, City staff. Thank you for hearing our item. So, to answer your question, Mayor, there -- the Coconut Grove Injection Program -- Project, rather, deals with three cities: City of South Miami, Coral Gables and the City of Miami. Where we're at with the other two cities is that we have a permit in to the City of South Miami. There's three administrative issues that we're dealing with. Basically, two of them have been completed. There's one that we have pending, but we feel that we should have it closed out by the end of the month. The City of Miami, we have a conceptual agreement to get -- we have already filed our permit, and we have a conceptual agreement on behalf of the City of Miami that we will have it reviewed within the next 30 days and have the permit by the end of September, beginning of October.

Mayor Cason: I'd like to know what are the agreements with Miami in terms of undergrounding?

Ms. White: The project, which is three blocks going into the Coconut Grove sub, is going to be something similar to what you have here in Coral Gables; one overhead line, with two transmission circuits on it.

City Attorney Leen: I think the Mayor was wanting to know, though, more generally. It's our understanding -- we've heard this from maybe five different people, but it's our understanding that your negotiations with Miami regarding undergrounding more generally.

Ms. White: Well, just want to make sure...

City Attorney Leen: And we wanted to make sure that Coral Gables, if you did enter into that sort of agreement, that we would get the benefit of it as well.

Ms. White: So, moving north, right, this is a different project. Moving north out of Coconut Grove into downtown Miami would be another project that we would look to do in the City of Miami. We have not provided them any binding estimates on what we could do. I want you to please be sure you understand that the infrastructure that exists from Coconut Grove into downtown Miami is completely different than the infrastructure that we have going from Coconut Grove to South Miami sub.

City Attorney Leen: So, hypothetically, if you were to...

Ms. White: So, we have no agreements. I'm sorry. I just want to make...

City Attorney Leen: Understand.

Ms. White: We have no agreements with the City of Miami on that...

City Attorney Leen: One thing the Commission I know wants to know -- at least individual Commissioners...

Ms. White: Yes.

City Attorney Leen: What to know is that, hypothetically, if you were to enter into an agreement with Miami allowing the undergrounding of transmission lines along US 1, would you make that available to the City of Coral Gables, that agreement, that deal?

Ms. White: The deal is based on an engineering assessment of the infrastructure that exists between Coconut Grove and downtown Miami. I believe, Commissioners, it was a while back, maybe two years back, we did provide you an estimate of what it would cost to underground the line on Ponce for 2.5 miles. We did provide that estimate to you. These are different situations based on the infrastructure that is available to us.

City Attorney Leen: I think the Commission's concern, though, was that what we've heard is that you negotiated -- you gave -- that you gave some sort of estimate to Miami and you've negotiated that with them. But we wanted to know would you do the same sort of negotiation with us?

Ms. White: We would be happy to do an engineering review of the line. We have done that for you. We have provided that, like I said, about two years ago. And I want to make sure I understand your question, Mr. Leen.

Mayor Cason: The price at the time was something like \$20 million a mile, if I'm -- something on that...

Commissioner Lago: I think it was around 25...

Ms. White: Based on the...

Commissioner Lago: Million?

Mayor Cason: Right.

Ms. White: Based on the infrastructure that was there.

Mayor Cason: I mean, is there a different geology in Coral Gables than Miami?

Ms. White: They're different infrastructure. There is underground infrastructure on the transmission side that's available to us in Miami that's not available to us in Coconut Grove. That, obviously, changes the engineering design. But I want you to understand the three blocks that are in the City of Miami going into Coconut Grove sub is going to look pretty much what it looks like from Ponce -- all the way down Ponce attaching to the South Miami segment.

Mayor Cason: So, are you going to provide free three blocks of undergrounding to Miami?

Ms. White: No. It will be an overhead...

Commissioner Keon: That would be overhead.

Ms. White: Transmission line similar to what you're getting, one pole, two circuits going into Coconut Grove sub.

Commissioner Keon: I'm having -- I feel like you're not answering the question...

Ms. White: Okay.

Commissioner Keon: That you're being asked. You are telling us that there is -- the project for overhead where you would harden our lines, which is replace the poles, all of the poles, with a different pole or whatever, what exists in South Miami through Ponce and for three blocks in the City of Miami. And then you're telling us that the second -- going from that point in the City of Miami, beyond those three points, to downtown Miami, where the -- you are -- you need to transmit more power, there are not poles in existence that you would -- so, there's not the infrastructure. What does that mean that there's not the infrastructure? Or what is it in that part of the City of Miami that would lead you to an agreement to underground that is not -- that doesn't exist elsewhere?

Ms. White: Commissioner, we're going to bring up Jose Coto who's our General Manager of Engineering. He can explain the infrastructure that's there on the transmission side going into downtown.

Commissioner Keon: Okay.

Jose Coto: Good afternoon, Jose Coto, Engineering General Manager for power delivery. To address the first part, project 1, what we call the Coconut Grove Injection, the Coconut Grove Injection, as currently planned today, is going to be fully an overhead project, in South Miami, City of Coral Gables and the City of Miami. Associated with that project, we are doing a hardening of the distribution system. It's a project that FPL had planned for 2019. We're accelerating it, and at that same time we build the transmission line, we're going to bury a small section of distribution, very similar to what we're doing in the City of Coral Gables that we've proposed to do to bury three crossings of Ponce, distribution crossings, to harden those facilities. So, that's for the Coconut Grove Injection. In the Downtown Injection, the City of Miami, like Coral Gables did a while back when we were talking about the Coconut Grove Injection, you asked us how much it would cost to bury those facilities and we provided those estimates. I

think for the two and a half miles, we quoted a price around \$35 million, at which time we took into consideration the credit -- we gave you a credit for the facilities that were not going to be built overhead. So, that credit was factored in the number. The number looks more like \$14 million a mile, roughly, if you take the 35 million, divide by 2.5 miles, it's about \$14 million.

City Attorney Leen: I really think it was more than 35. I thought it was like in the sixties.

Commissioner Keon: I did too.

City Attorney Leen: Are you sure? I mean, I'll get the report, but I...

Commissioner Keon: I think it was more.

City Attorney Leen: Please be...

Commissioner Keon: But anyway, keep going. We'll go back to the numbers.

Mr. Coto: Yeah, we have the document that was prepared in June 2014, and it shows -- let me see...

Commissioner Lago: I remember specifically we were talking -- Mayor, if I may, through the Mayor. I remember that we were talking specifically about the number being around \$20 million a mile.

Commissioner Keon: Yeah.

Commissioner Lago: That's what I remember.

Mr. Coto: So --

Commissioner Lago: And the number...

Mr. Coto: I'm sorry.

Commissioner Lago: Give me one second. Excuse me. From what I understand, it was around 20 -- a little over \$20 million a mile and we're looking at around 50 plus million dollars. So, to me, a number of \$35 million is a significant reduction for two and a half miles.

Mr. Coto: Okay, so, we provided two options, alright. So, the first option was an estimate to underground the proposed 230 circuit and issue the credits for not building overhead, that number came to \$35 million.

City Manager Swanson-Rivenbark: Excuse me, Mr. Mayor. Just as clarification, the City Clerk has just reviewed the transcripts. Would you like to share what you said?

City Clerk Foeman: In the transcript that we have, it shows \$51.2 million.

Mr. Coto: Yes, and that's the option two, which would be to bury the existing line and the proposed line, and that was \$51.6 million.

Mayor Cason: What is the -- I talked to the Mayor of Miami yesterday. He said that another phase is that they've offered to put in a quarter of a million dollars to study undergrounding -- now, is that correct?

Mr. Coto: The quarter of a million dollars is an engineering deposit for us to proceed with engineering to obtain a pricing for what it would cost to bury the line for the Downtown Miami Injection.

Mayor Cason: Okay, for some reason, they have a totally different number in their mind of what it would cost, closer -- I think it's like \$5 million a mile versus what we're talking about.

Commissioner Keon: Twenty million.

Commissioner Lago: Five million...

Mayor Cason: So, is there something different underground there than in Coral Gables that would...

Mr. Coto: Yes.

Mayor Cason: I mean, we'll see what their study comes up with, but...

Mr. Coto: Yes. For instance, there's several underground facilities in Miami that are not existing in the City of Coral Gables. There's no underground transmission lines in the City of Coral Gables. What we're doing is basically building two lines coming out of the Coconut Grove substation and tying to existing infrastructure that is existing south of the Miami substation. So, one of the benefits is that instead of building five miles of line and getting totally into downtown Miami, very congested, very difficult area to construct, going under the Miami River, right, we're able to avoid that area totally altogether. So, instead of building five miles, we're only building 4.2 miles. So, right off the bat, there's a significant benefit with avoiding going into downtown Miami. By being able to use existing infrastructure that exists in the City of Miami, we're able to do that. We really don't have that type of benefit in the City of Coral Gables.

Mayor Cason: So, you're saying it would cost -- with that in mind, it would cost three or four times more, perhaps, in Coral Gables underground than in this piece of Miami?

Mr. Coto: Like I said, you know, the total project is five miles long. We're only building 4.2 miles. That last piece, by itself, it's around \$20 million, so that's a savings that the City -- that we're providing to the City of Miami. The project scope has changed, but ultimately, provides the same benefit to FPL.

City Attorney Leen: So, the other thing I wanted to just say for the benefit of the public is that what the Commission's deciding today is not -- you're not re-deciding whether to allow these power poles in Coral Gables. The reason I say that is, because the City of Coral Gables vigorously fought both an administrative proceeding and a lawsuit that we filed contesting these poles. On the eve of a decision by the Governor and the Cabinet, which ultimately ordered that these poles be put along the line, the City of Coral Gables settled the matter. We did what we thought was in the best interest of the City, and as your City Attorney, I still believe what we did was in the best interest of the City. And all these conditions that we're receiving -- and there's a lot of conditions we're receiving, both in terms of the height of the poles, the \$1.3 million, which could be used to serve a public benefit, the landscaping that's being put and a number of these other requirements, which also include a favored nations clause. These requirements were put in, because we settled the matter to try to protect the public. The one thing I want to just make clear is that it's not for this Commission to decide whether or not to settle the case. We already settled the case. The question here today is whether to issue -- we have a duty under the settlement to issue a permit, assuming it meets all the other obligations of the permit, with reasonable conditions. And so, that's what's before you today. What are the reasonable conditions that should be imposed? FPL has proffered nine conditions, which we're going to talk about in the executive session. Then we're going to come back and you can ask more questions to FPL. And at that point, you would make the decision. But I just want to be clear, because I know that the newspaper's here. I know people are watching on TV. This issue was -- Coral Gables never agreed to put these power poles in Coral Gables. We fought that. We fought that. That administrative proceeding was lost. The Governor and the Cabinet did order the poles to be put in the ground. Now, there is an appeal in the Third District, where the Third District issued an order that's going to send it back for additional proceedings. But in my view, as your

City Attorney, ultimately, we're still looking at some point to an order where we're going to be ordered to put these poles in, one way or another. And the concern I have is that we're also sort of uniquely situated, because many decades ago, several decades ago, Coral Gables allowed for a transmission line to be put along Ponce in Coral Gables. That is not true with the portion of Miami that we're talking about. We already have a transmission line. And at some point, they have the ability to, what they call, harden it. Now, I do want to be clear. They're not just hardening it. They're also increasing the size of the poles and they're adding an additional line, but that was an application they made originally in 2010, and that was part of the settlement, and Coral Gables did agree to process that permit and issue the permit. And we did it, because we were uniquely situated as to other cities. And we felt that because we already had a transmission line, it would be extremely difficult for us to win a case saying that they can't harden that or add this additional powerline. It's a lot different when you don't have one. So, like, remember, in the case of Coral Gables, one of the arguments we made was there should be alternate corridor, that they should find another route. But -- and part of that -- one of the arguments we made was that there were existing facilities already there, but there was not the type of -- right now along Ponce, we have a transmission line. It goes straight right along Ponce for the two and a half miles in Coral Gables. It goes all the way up to where it enters the City of Miami and then goes to the Coconut Grove substation. So -- and it starts at Red Road, so, you know, many of you know it. That makes us unique. You know, we already have that here. So, it's -- I just want to be clear to the public the Commission is not approving powerlines. Those were approved. Those were ordered by the Governor and the Cabinet. There's a pending lawsuit. We have a settlement. I still, to this day, believe the settlement provides us with protections that no one else has and that it's a benefit -- that the Commission did what was in the best interest of the public. That's ultimately now what's before you today is the last part of that settlement, which is approving the permit and the reasonable conditions that you can impose.

Mayor Cason: Alright, so we can ask questions when we -- after we've had our executive...

City Attorney Leen: Yes.

Mayor Cason: Session. Anybody else have any questions?

Commissioner Keon: It's just that -- I want to make sure. The underlining that you're discussing with the City of Miami is from -- is after that three or whatever section is in the City of Miami, the Coconut -- all the way into downtown?

Mr. Coto: Yes, ma'am.

Commissioner Keon: It's all the way into downtown. And it's because -- and there is the undergrounding structure...

Mr. Coto: Yeah, that project...

Commissioner Keon: Already in place in the City of Miami all the way down US 1?

Mr. Coto: The second project, the Downtown Injection, the one you're describing now from Coconut Grove to Miami, it's a in service date of 2021.

Commissioner Keon: I'm sorry. Say that again.

Mr. Coto: The project in service date is 2021, as opposed to the one in Coral Gables, which is 2017.

Commissioner Keon: So, you're telling -- so what I think you're telling me is that these are two separate projects and one doesn't relate to the other. Is that what you're telling me?

Mr. Coto: Yes.

Commissioner Keon: So, even if we got a most favored nation whatever, then it wouldn't apply to this next project. The only thing it's applying to is what you do in this project, which cuts off after those few blocks into Coconut Grove. Is that what you're saying to us?

Mr. Coto: I'll let Pat address that.

Patrick Bryan: Good afternoon. I'm Patrick Bryan, attorney for Florida Power & Light Company. I think Mr. Leen would tell you that his view of the favored nations provision, which was contained in a partial stipulation entered into in 2013, may apply to the project that goes downtown. And we have agreed, in the conditions before you, that whatever rights were acquired by the City in that partial stipulation survived this settlement. So, I think Mr. Leen can tell you that you may -- he may view that you have rights.

Commissioner Keon: I'm asking you what you view. What's FPL's view? Do we have rights?

Mr. Bryan: I think it's an open question, and I'm not prepared to...

Commissioner Keon: So...

Mr. Bryan: State on the record...

Commissioner Keon: No favor nation status on your -- from FPL's vantage point would not extend to the City for that section of the City of Miami that is considered to be a second project. Is that right?

Mr. Bryan: I'm not prepared to state on a matter that may be litigated what our position is.

Commissioner Keon: Oh. Then how can we make a decision on something that is so significant when nobody is clear to us what the position is?

Mr. Bryan: I think the point is, Commissioner, that the rights that you negotiated in 2013 and then your two settlement agreements negotiated in 2014, whatever rights survived those settlement agreements, the City still has. And we've made it very clear in our conditions that whatever those rights are, you still have. We will not argue that those rights have been waived in any way. All we're saying is those rights are not increased in any way as well.

Commissioner Keon: Okay, when we made -- when we entered into this decision and we discussed this, was this discussed as two separate projects, or was it from the -- from South Miami to Downtown Miami, or was it from South Miami to Coconut Grove, and then from Coconut Grove to Downtown Miami? What did we agree to?

City Attorney Leen: Well, the answer is both. Because on the one hand, in the agreement, they did have an application to what they call harden those lines, so that application was filed, I think, in 2010, and they were proceeding with that regardless of the Turkey Point powerlines.

Commissioner Keon: Right.

City Attorney Leen: They happened to be the same powerline, basically. It's the same infrastructure. So, we received a lot of benefits from the settlement of the administrative case that we're applying to their application here, and they've agreed to these nine conditions, and also that the settlement agreement applies. And one other point I want to make is that the -- you know, we did enter into a settlement agreement, but again, remember, without these protections, FPL would have been able to put 105-foot, or maybe even higher, but 105-foot power poles. That was what the original application was. We had it reduced, I think, to something like 97 feet, and then we got it further reduced to 77, 81 or, I think, like 85 or 86 feet, with the exception of a few that are right around the passport facility because we decided to -- that used to be the Driver's License Bureau. We decided to keep it to serve a public benefit, which is the passport facility, so they have to go higher there because of that infrastructure. But -- and then all these

other protections we received was part of that settlement. So, you know, in my view, we had a choice between two scenarios, which we didn't want and we chose the one that I believe was better for the City.

Commissioner Keon: But with regard to the most favored nations status, did it apply to the project from South Miami to Downtown Miami, or did it apply to only this section that we're talking about now as the first project.

City Attorney Leen: Well, the most favored nation provision was part of the broader application related to the administrative review of the entire Turkey Point line, but it has specific language relating to how the line comes into Coral Gables and how it exits Coral Gables. Now, you know, what that means, whether it means three blocks or whether it means as it goes further into Miami downtown, that's probably a dispute that we would have. There's -- let's be honest, there's probably a disagreement between FPL and the City as to that. Both of us, under this agreement, are retaining our rights, so we retain our right to be able to argue that -- because, remember, a lot of it's hypothetical.

Commissioner Keon: And so, for us...

City Attorney Leen: They may end up putting it above ground. You know, they haven't reached a settlement yet, so we don't know what the outcome will be.

Mayor Cason: The three blocks in Miami is the -- they're distribution lines, and it's the same as the three that you've agreed to underground equivalent distribution crossing Dixie and Ponce?

Commissioner Keon: No. They're saying that the small portion as an exit -- I want to make sure that I'm saying what you're telling me, so I know I've heard it.

Mr. Coto: Yeah. I didn't hear the -- could you repeat your question, please?

Commissioner Keon: That he said...

Mayor Cason: I thought I heard you say that the three blocks that you're going to underground free are distribution lines...

Commissioner Keon: Yeah.

Mayor Cason: Like the ones that you have agreed to -- crossing some of our major highways underground -- you're categorizing those as distribution, separate from...

Mr. Coto: That is correct.

Mayor Cason: Okay.

Commissioner Keon: And the transmission line then gets buried. Where do you start to --? Your -- but the transmission line will remain on a pole.

Mr. Coto: That's correct.

Mayor Cason: Unless you reach agreement with Miami...

Mr. Coto: Yeah.

Mayor Cason: Based -- after their study to underground it at some cost that will be determined later.

Mr. Bryan: That is for the Downtown Injection, the 2021 project.

Mayor Cason: Right.

Mr. Bryan: The three blocks of transmission line for the Coconut Grove Injection that's needed right away will be overhead in the City of Miami.

Commissioner Lago: I just -- I have...

Commissioner Keon: So, then we'll be treated the same way as the City of Miami.

Commissioner Lago: I mean, I have -- but I have to mention, I mean, again, we've all heard different rhetoric.

Commissioner Keon: Okay, so I mean, that's all. It's three blocks in the City of Miami, okay.

Mr. Bryan: Overhead...

Commissioner Keon: Thank you.

Mr. Bryan: Transmission.

Mayor Cason: Why don't we -- I'm not sure we're going to have enough time to do the executive session now and have Rebecca Sosa in fifteen minutes.

City Attorney Leen: So, do you want to -- is there any other items to be considered today? You could do discussion now.

(DISCUSSION ON ITEM WAS TABLED TO DISCUSS OTHER ITEMS)

Mayor Cason: We're back in session after our executive session. I'll turn it over to the City Attorney.

City Attorney Leen: Thank you, Mr. Mayor. At this time, I'm going to go through the conditions, the permit conditions and open issues for the Coconut Grove Injection Project. Please note, FPL has agreed to all of these conditions, so if there's any changes to the conditions, assuming we want FPL to agree, we would need to make sure that they were okay with it. So, one -- and I'm just going to go point by point, and then I'm going to make a few points about some of them. Okay, so, one, pole heights proposed installed -- so these are the conditions -- so, what would happen is a permit is would be -- well, Peter Iglesias, the Building Official, Assistant City Manager, will be reviewing -- expediting review of this permit. It would presumably be issued soon. He's going to finish his technical review. He has that authority. So, the Commission's not issuing the permit today, even if it approves it. They will be delegating to him the final responsibility to issue the permit. These are the conditions being imposed by the Commission pursuant to the settlement agreement, and also where it says that the Commission can essentially -- the settlement agreement says that the permit will be issued with reasonable conditions. These are the reasonable conditions that the Commission is placing on it with the agreement of FPL. These are negotiated conditions. So, the first condition is that pole heights for poles installed as an element of the Coconut Grove Injection Project shall be accordance with those heights specified in the current permit application revised as of September 22, 2015. And what that means is there was a settlement that was reached, and in fact, the Governor even put certain pole heights in his final order. And those heights would be respected, except there are certain poles that -- and the settlement recognizes this, so does the Governor's orders. There are a few poles with heights that will be higher than what's in that settlement, because the City has elected to maintain a -- its passport facility, so the poles have to go over that. It's a technical requirement. And FPL understands and their -- my understanding is their application reflects that they will have the lowest possible heights that they can, lowest feasible heights for each pole in light of the circumstances on the ground. I recommend that you accept that condition.

Mayor Cason: Oh, so you -- we're discussing -- there'd be a couple other poles that might be a little higher because -- near the University of Miami?

City Attorney Leen: Say again. I'm sorry, sir.

(COMMENTS MADE OFF THE RECORD).

Mayor Cason: In addition to that, there were some -- a couple other poles you said were going to be a little higher because of some technicality.

Assistant City Manager Iglesias: Yes. There's one pole west of Stanford Drive and two poles slightly higher near 57th Avenue.

City Attorney Leen: And that's for a technical reason that's required?

Assistant City Manager Iglesias: For the trees.

City Attorney Leen: Okay.

Mayor Cason: Yeah, okay.

City Attorney Leen: Two, within 30 days following issuance of the permit for the project, Florida Power & Light Company will make full payment of the \$1.3 million required pursuant to that certain settlement agreement between Florida Power & Light Company and City of Coral Gables regarding proposed 230kV transmission line to be located within the City of Coral Gables, May 23, 2014, also referred to as the settlement agreement. I recommend that you accept that condition. Three, acceptance of the funds required by the settlement agreement will not constitute a waiver of, impose any limitation on, or increase any rights acquired by the City of Coral Gables pursuant to what has been referred to by the City as a favored nations provision

in paragraph one of Exhibit A to the partial stipulation between Florida Power & Light Company and City of Coral Gables regarding proposed 230kV transmission line to be located within the City of Coral Gables, FPL and Coral Gables dated July 2, 2013. What this does is the City -- there's a provision in paragraph one of Exhibit A of the partial stipulation that the City refers to as the favored nations provision -- most favored nations provision. The parties have agreed that whatever rights Coral Gables has pursuant to this provision, it continues to have and that this agreement does not increase those rights or decrease those rights. In my view, this is the most that we will be able to obtain on this provision at this time. FPL understands our interpretation of the agreement and we understand theirs. And it might be something that -- where there would be a dispute in the future, maybe not. You know, we would have to see, but I -- my recommendation is to accept it. Four, neither payment nor acceptance of the funds required by the settlement agreement will amend, limit, terminate, increase or otherwise have any impact on the remaining rights and obligations of the parties under the settlement agreement, if any. This provision, I just want to make sure FPL understands my interpretation of it. The settlement agreement, the administrative settlement agreement, the partial stipulation, there's basically three documents. There may even be more administrative documents that are tied to this. All those obligations that have been agreed to between FPL and the City continue in effect, you know, unless it's changed in here, basically. So, we would apply the standard canons of construction to those. So, for example, the settlement agreement says also that, you know, these prior agreements, they continue to survive, except where changed in the settlement agreement. So, we would follow -- the goal of this agreement is not to waive anyone's rights. We continue to have those rights. I believe FPL has the same view of that.

Unidentified Speaker: Yes.

City Attorney Leen: Mr. Bryan, he's the counsel for FPL. Do you have the same view of that?

Mr. Bryan: Yes, that's correct.

City Attorney Leen: Five -- I recommend that we accept that -- that you accept that provision -- condition. Number five, applicant's obligations for tree relocation, landscaping and pole mitigation associated with the project will be as set forth in the tree relocation and pole mitigation plan dated -- and it doesn't have a date because it's not finalized yet. That's really an administrative function. It's going to be performed by Peter Iglesias. He's already negotiating that. You would be -- you would have a condition that says that, but that plan will eventually be established by Peter Iglesias. There's also some provisions in our settlement agreements regarding tree mitigation, and my understanding -- Pat, I just want to make sure. My understanding is whatever we've agreed to regarding tree mitigation in those agreements, that that continues to exist. It's not being waived. I remember like there's a provision in our stipulation regarding replacement of trees, things like that, that's at least a minimum standard. And my understanding is you'll comply with the City Code and those requirements and whatever's imposed -- whatever's reasonably imposed administratively.

Mr. Bryan: I believe -- and I need some help with our engineer -- we will comply with City Codes and what not. But I believe the plan that is being worked on now will be the plan that, you know, we will put into effect.

City Attorney Leen: Yes.

Mr. Bryan: And that's not the same plan as set forth in the partial stipulation.

City Attorney Leen: Well, I think the plan actually does more, but it would -- is my understanding.

Mayor Cason: That's why it has XXX 16.

Mr. Bryan: Yes.

Mayor Cason: It's the one we're working on now.

Mr. Bryan: The one we're working on now that hopefully will, you know, become final very quickly.

Mr. Coto: So, right -- Jose Coto, General Manager of Engineering. Right now we have a written document that we've shared with Peter Iglesias, and he's agreed to it. We're going to take that written document, and turn it into a drawing, at which point in time we'll have updated the plans. I don't know of any other agreements that would supersede the plan that we're proposing.

Assistant City Manager Iglesias: And just to clarify, we're working on the agreement. I haven't agreed yet. We're working on the agreement.

Mr. Coto: Yes.

City Attorney Leen: Okay, so if everything -- one's okay with that, my -- and I would really ask Peter, because he's the one who's on the ground working on this. Peter, that agreement, when it's approved, that's what you're -- that's what you want them to implement? That would take precedence over anything else in the settlement agreement regarding tree relocation?

Assistant City Manager Iglesias: That is correct.

City Attorney Leen: Okay. So, that's the -- so, just be aware -- I just want Peter to be aware of what we have agreed to regarding tree locations to make sure that we're at least -- it's at least a minimum of what we're obtaining. But ultimately, it's going to be your discretion.

Assistant City Manager Iglesias: It would be at least the minimum.

City Attorney Leen: Yes, okay. Good, so I would recommend acceptance of that condition. Number six, the City of Coral Gables will take no steps to impede or otherwise interfere with the applicant's efforts to obtain project approvals in other jurisdictions. Applicant expressly reserves all rights and remedies available by law or in equity in the event of a breach of this provision by the City or its officials or employees. This really needs to be read in conjunction with seven, because we asked for -- my office asked for seven. FPL proffered six, in addition to seven. So, seven is, applicant shall take all steps reasonably necessary to obtain all other governmental approvals required for the project. The City shall have no liability for damages that may occur in the construction of the project, and the applicant agrees to indemnify the City and hold it harmless against any and all liability, loss, cost, damage or expense which may accrue to the City by reason of the negligence, default or misconduct of the applicant in the construction of the project. As to seven, I just want to make sure that indemnification language, that would be in addition to any language you've agreed to in the partial stipulation and settlement agreement, right? This isn't meant to replace that, is it?

Mr. Bryan: Yes. Mr. City Attorney, that's correct, with the caveat to the extent those provisions in those other documents continue to survive the settlement agreement.

City Attorney Leen: Yes, of course.

Mr. Bryan: Not in conflict with.

City Attorney Leen: Yes. Because there are other provisions that don't necessarily just relate to the construction of the project that relate to like, for example, interference with our radio transmissions and things like that. I just want to make sure that -- and those did survive as far as I understand it. So -- and I'm not asking for anything more than we have, but I just want to make sure your understanding of our view that those continue to survive. When read together, I want to be very clear for the record that Coral Gables doesn't interfere with other governmental entities approvals. That's not something that we would do typically. You know, they're

regulators, we're regulators. We did challenge this matter in front of the Governor, but that was through a recognized procedure where we took a position. So -- but I understand that they've asked for that, because we've asked that they take all steps reasonably necessary to obtain all other governmental approvals required for the project, which would include, for example, South Miami and Miami. So, what they're basically saying is, fine, we'll agree to do that, but we don't want you to interfere with that. In my view, that's reasonable. We didn't anticipate interfering in that, but -- so, I would recommend that you accept six and seven together. Eight is FPL will underground at no cost to the City as part of its storm hardening initiative the existing distribution lines crossing over Ponce de Leon Boulevard at or near the following three intersections: 1, Carillo Street; 2, Sagua Street; and 3, south of Southwest 42nd Avenue. I recommend that you accept his provision conjunction -- this is really more of a technical issue, but my understanding is the Assistant City Manager supports this so I support it, too. I, therefore, recommend that you accept that. Number nine is that FPL will continue to honor and comply with its commitments with respect to its streetlight agreement and as set forth in paragraph two of the settlement agreement between Florida Power and Light Company and City of Coral Gables regarding FPL Turkey Point Unit 6 and 7, dated May 12, 2014. This is the provision related to the conversion essentially of our current lights to LED lights and the whole idea of stranded costs, and could the City -- would FPL let the City out of those franchise agreements? There is a provision relating to that in the settlement agreement. This indicates your intent to continue to honor and comply with that, with those commitments. Although it's not a condition of this, Commissioner Lago continues to be the designee of the Commission and ACM Peter Iglesias would continue to be involved in that as well, and to the extent there's a legal issue, I would be. So, I recommend that you accept condition nine as well. So, with that, I would just like to make a brief statement. These are obviously tough cases. I know that the City -- I know that you're not happy with the large power poles. I also know that, you know, this case involved a dispute between FPL and the City, and FPL took the position that they need to provide energy. Coral Gables said, well, we don't want it to go in this location, and we want it to be as low as possible. You know, eventually, that dispute went to the Governor and Cabinet. It's still in court. It's in the Third District now in a rehearing. But one thing that is clear, I

believe, is that we do have a transmission line in Coral Gables. It predates this Commission and many Commissions, and it does make our city unique. And FPL does have an application related to that Coconut Grove Injection Project, which although it's part of the application, because it's part of the administrative proceeding that was before the Governor, they would also, my understanding -- and I believe that the ACM agrees with this too in a sense -- that they would be applying for this either way, even if they were not doing the Turkey Point, they would make this application and we know that, because the application predates the Turkey Point application, is my understanding. Is that true, Pat? It predates it, as far as I understand.

Mr. Bryan: I'm not sure if it predates it. I'd have to go back and check.

City Attorney Leen: Well, that's not what's important.

Mr. Bryan: But the important part...

City Attorney Leen: I want you to say on the record, is it independent in the sense...

Mr. Bryan: Yes.

City Attorney Leen: That you would do it either way?

Mr. Bryan: Yes. These projects, the Coconut Grove Injection and the Downtown Injection are required for FPL to continue to meet federal reliability standards, NERC standards.

City Attorney Leen: Could you talk a little bit about that at this time?

Mr. Bryan: Yes. I'm happy too. And I'm not the expert. Jose may know more than I do, but as a regulated public utility, we are required to comply with a grid reliability standard to make sure that we have redundancies in the system in order to keep the lights on. And there are very

technical engineering requirements, and we have determined that Coconut Grove Injection Project, three miles from South Miami through Coral Gables and three blocks of Miami needs to be built by the end of 2017 in order for us to continue to comply with NERC. It's North American Energy Reliability Corporation, a federal agency, comply with their standards. Failure to comply with their standards could subject the company to up to one million dollar a day fines.

Commissioner Lago: Could I ask you a quick question, since you brought that up and I'm not...

City Attorney Leen: I did ask him to. I did ask him.

Commissioner Lago: Can you clarify to me in reference to -- are you in compliance now or you're going to fall out of compliance? When does this happen? When do you go over the edge?

Mr. Bryan: There's not an exact -- I don't know that we can pinpoint it to the day.

Commissioner Lago: Can I ask another question?

Mr. Bryan: May I finish?

Commissioner Lago: Yeah, of course.

Mr. Bryan: The point is -- and Jose, help me out if I'm incorrect here or said anything wrong -- that we know that the growth is coming. We know the projects that are being built and...

Commissioner Lago: Where are those projects being built?

Mr. Bryan: Jose, can you...

Mr. Coto: What is your question?

Commissioner Lago: I don't have a question. I just need for you to help me understand, because I've heard several times FPL has made the same statement, like we're about to fall out of compliance; there's a million dollar a day fee that's going to be assessed to FPL if we don't fall into compliance. When is that cutoff date? Like I can give you an example. In college, you know, you pass with a 75. If you get a 74, you don't pass. So, I would like to know for you -- to explain to me, because I'm not an electrical engineer. I need to understand what is the cutoff date? What is the failure to comply?

Mr. Coto: Okay, so let me try to explain. Again, this is not -- the studies are not in my group. They're done by the planning group, Planning and Reliability Group of Florida Power & Light. My understanding of the standards is -- the network standards establish certain criteria. In this case, it's for planning a system and there's several of them. I don't exactly know how many. But in the situation that we're looking at right now, Planning develops forecasts, right, for an area. This area is going to grow at certain percent per year, right. These are based on forecasts and our planning studies. So, what Planning has determined is that by getting this line in service by December of 2017, we will continue to be in compliance with the NERC reliability standards. We don't have a date. There's not an on/off switch.

Commissioner Lago: Explain to me what is NERC compliance? For example, so if you keep the same transmission lines that you have there now, you will fall out of compliance when Related builds another building or Albert Milo builds another building or who? I mean, I'm trying...

Mr. Coto: Well, again, so...

Commissioner Lago: I'm trying to understand, because you use that and it's very vague.

Mr. Coto: Yeah.

Commissioner Lago: And I deal with facts and numbers, and I just kind of want to understand, because when you throw that -- you toss that big net and say we're going to be out of compliance, I have residents that ask me and they say, well, Vince, explain to me what is compliance. What is compliance? And I don't have an answer for them. Do you know what it is or?

Mr. Coto: Well...

Commissioner Lago: Outside of whatever NERC says -- I got to ask this question, I'm sorry.

Mr. Coto: So, you know, right now, we have a list of projects that are being planned for the area.

Commissioner Lago: What area?

Mr. Coto: The Coconut Grove area -- Coconut Grove substation area.

Commissioner Lago: Okay.

Mr. Coto: Alright, so our planners are -- we have two types of planners, distribution planners that plan the distribution system. Those guys are in contact with builders, developers and other customers that bring projects to them and they say, hey, by 2017, we're going to put one megawatt of load there. We have several planners. They aggregate the data. That data is then given to the transmission planners and they build a forecast. Based on that forecast, we're able to run simulations of the system and at certain point in time, all right, by December of 2017, we have to have this project in place so in case the contingencies that would occur -- in case we had a contingency that would force us to exceed loading on certain lines, that would take us out of compliance.

Commissioner Lago: But, let me ask you a question. So, what you're saying basically is that Turkey Point currently is producing X...

Mr. Coto: Right.

Commissioner Lago: And there's a certain area in Coconut Grove and downtown that requires Y and you need the transmission lines to deliver that, correct?

Mr. Coto: We need...

Commissioner Lago: So, by you saying that you're going to be producing more -- that you need transmission line upgrades to get to new projects in the Grove and in downtown, you're telling me that Turkey Point's going to be producing more electricity than now?

Mr. Coto: No.

Commissioner Lago: Because my understanding was that Turkey Point was at capacity.

Mr. Coto: No, no. Remember, this is not Turkey Point related.

Commissioner Lago: It's not?

Mr. Coto: This line is local load related.

Commissioner Lago: Yeah, but who produces the electricity that goes on those lines?

Mayor Cason: (INAUDIBLE) anywhere in Florida? You buy it elsewhere?

Mr. Coto: No. We have a multitude of generating facilities throughout the state, right. Miami is the net importer. Not all the power that Miami needs comes from Turkey Point. Some of it comes from north.

City Attorney Leen: Okay. So, the...

Mr. Coto: So...

City Attorney Leen: So, why don't you keep thinking about that. Let me -- if it's okay, Commissioner -- Commissioner...

Commissioner Lago: Yeah.

City Attorney Leen: If it's okay with you.

Commissioner Lago: Of course.

City Attorney Leen: I'm going to just -- I have about three more minutes, and then I will turn it over to the Commission for your decision and your debate.

Commissioner Lago: Take your time. I still want to ask a question.

City Attorney Leen: So, in light of this issue, I think one thing that needs to be remembered is we did enter into a settlement agreement, where there was consideration for where it says that Coral Gables will process this permit application. And in fact, it said within six months. There was a debate about whether -- when the application date -- when that began. And at the last Commission meeting, we deemed it to be the Commission date, and we also agreed to expedite it. That was a compromise that we reached with FPL, and that's what the City is doing. So -- and that was part of your resolution. We still have this underlying obligation, though, ultimately,

to issue the permit, assuming they meet the technical requirements. And so -- and that is part of a settlement agreement that was already reached. So, my recommendation to you is to approve these conditions and to turn it over to the ACM/Building Official Peter Iglesias, the -- you know, the final administrative authority to issue the permit once all these other technical requirements and remaining things to be done are finished. And it would not have to come back to the Commission. I recommend that because if we -- ,because one, we've agreed to do that. And two, because -- in a settlement agreement. We have agreed to do that. And two, because if we don't do that, it will subject us to suit and we may lose a lot of the provisions that we fought for so long to protect our residents. So, that's my professional recommendation as an attorney, as the City Attorney. I do believe that this offers the City, in a difficult situation, a lot of positive conditions, a lot of positive requirements that protect the City and its residents. So, that's my recommendation. With that, I would turn it over to the City Commission.

Mayor Cason: Okay. We had quite a lot of discussion in the executive session. I guess the question now is does anybody want to say anything else more on the public side before we have the motion and vote on this? Commissioner Keon.

Commissioner Keon: No. We recognize that you're the two-ton gorilla in the room, so I don't know what else there is to say.

Commissioner Lago: I have something to say. I have something else to say. You know, at night when I get home and I have a few moments to watch TV, I see all of these FPL commercials and it drives me crazy. What I would love for FPL to do for me as a -- do for this community, you guys state like, for example, like the stranded costs is going to be half a million dollars. Instead of spending so much money on commercials, why don't you, as a good partner, as a good citizen, say that you're not going to force us to pay the stranded costs on infrastructure that's over four years old? That's coming from the residents, coming from the taxpayers in this community. So, you know, those are one of the things that, to me, again, yanks on my chain a little bit because, like Commissioner Keon mentioned before, you know, you understand that

you're the big gorilla in the room and we're the small fry. But it really is a tough decision for me today to approve this. I -- it just -- I am -- this is probably one of the toughest decisions I've made on this dais, and I've had to make some really tough ones, very, very tough decisions. And you know, I -- and I'm going to be honest, because I have to get this off my chest. For three and a half years since I've been an elected official and I've been so fortunate to serve this community -- how much fun have we had here? How many good things have we accomplished?

Commissioner Keon: Good.

Commissioner Lago: I mean, awesome stuff we've done. We just inaugurated a senior center after five years. We're doing great things with sustainability. We have neighborhood safety aides that are being put on the street today. We have the lowest crime rate. We have the lowest tax rate. For three and a half years, I couldn't get an answer out of FPL, couldn't get an answer out of FPL. It was one of the few things that I wasn't able to -- we weren't able to accomplish in the City. And you know, to me, at this point right now -- and I'm not putting it on you guys right now -- but I just -- I'm not happy today. I'm not happy today, and I'm disappointed in me today. And I just -- I never felt like that up here. I feel like I got my back against the wall, and I have to vote in favor of this and it's not something that I'm very happy about, because I never -- and Commissioner Keon will tell you, I never settle for anything, never settle for anything. And then when finally, after you bring this nice engineer who's more than capable, and she finally is able to solve this issue, that for three and a half years I felt that we were being stonewalled, the answer is, pay me \$500,000 for 40-year-old outdated infrastructure for the stranded costs. I want to remind you one thing -- I'm going to vote in favor of this today. I want you to remember -- and this is a message that I send to the Governor and to everybody who deals with FPL, you have an obligation to the residents of this community. You may feel that you own this community, because you're the big guy on the block, but you have an obligation to this community, and remember that. Remember that, because, again, everybody's got to pay their light bill. Everybody's got to deal with you. There isn't many other options. But remember that you have

an obligation to this community, not only to the City, but to this community. And we can do a lot better.

Mayor Cason: And we'll be looking for very constructive, as soon as we can, continued discussions on the streetlight issue. Obviously, it's very important to all of us. We've been discussing it for years. We're hoping you can get those costs down that we can be able to get LED lights at a very low or if not -- no cost, can take over this whole thing, and the liabilities that come with it. But yeah, I think that's -- I agree with you. That's something that we're looking forward to as soon as you're ready to come back to us and continue those discussions. Hopefully, it'll be successful. Do you have anything? All right, who would like to make a motion?

Commissioner Keon: I'll make the motion.

Mayor Cason: Commissioner Keon makes the motion to approve these. Second?

Commissioner Slesnick: Second.

Mayor Cason: Commissioner Slesnick. City Clerk.

Commissioner Lago: Yes.

Commissioner Slesnick: Yes.

Commissioner Keon: Yes.

Mayor Cason: Yes.

(Vote: 4-0)

(Vice Mayor Quesada: Absent)

Mayor Cason: So, we'll see you shortly on streetlights.

Ms. White: Absolutely.

Commissioner Keon: Thank you.

Ms. White: Thank you very much.

Mayor Cason: Thank you.

Ms. White: Thank you.

[End: 2:50:42 p.m.]