

City of Coral Gables City Commission Meeting
Agenda Items I-3 and I-4 are related
August 24, 2022
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Vince Lago

Vice Mayor Michael Mena

Commissioner Rhonda Anderson

Commissioner Jorge Fors

Commissioner Kirk Menendez

City Staff

City Attorney, Miriam Ramos

City Manager, Peter Iglesias

City Clerk, Billy Urquia

Public Speaker(s)

Mr. Consella

Jackson Rip Holmes

Agenda Item I-3 and I-4 [12:13 p.m.]

I-3: Update regarding undergrounding utilities

I-4: A Resolution of the City Commission directing City staff to work with Florida Power and Light (FPL) to accomplish the undergrounding of utilities within the City in accordance with the FPL Storm Secure Underground Pilot Program (SSUPP) and such other programs as may be approved by the Public Service Commission, to work with FPL on all other planned improvements, and to explore options to require attaching entities to underground co-located pole attachments.

Mayor Lago: I'm going to go to 10:30 time certain, which is I-3, update regarding undergrounding utilities.

City Attorney Ramos: So Mayor, I-3 is related to I-4, which is a Resolution of the City Commission directing City staff to work with Florida Power and Light (FPL) to accomplish the undergrounding

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of utilities within the City in accordance with the FPL Storm Secure Underground Pilot Program (SSUPP) and such other programs as may be approved by the Public Service Commission, to work with FPL on all other planned improvements, and to explore options to require attaching entities to underground co-located pole attachments. We have Mr. Consella available on Zoom to give the presentation this morning.

Mayor Lago: Perfect. So, while we wait for him. Again, this is a long time coming. This Commission has been working to address the issue of undergrounding for FPL. We want to work on redundancy. We want to make sure that people who are the elderly, most sick, who have had issues or people like myself who are just out of power for three weeks, do not have to go through that again. We discussed; we went down the road of doing this privately. We looked at numbers around \$275 to \$300 million dollars for the entire city. I've had multiple meetings with the FPL President, he's come to Coral Gables to see how we could find a way to really push forward on this issue. He's been more than accommodating, along with his team and our team who has done a lot of legwork. We want to take the city to the next level. We want to be as sustainable as possible and continue to upgrade our infrastructure. This is a huge win for the city. This will cost the city residents zero dollars. There will be no referendum and I'm hoping that we could quickly go over the presentation, so we can get started, but there is an issue. There is one issue we have to talk about, and I think that's the biggest issue that we'll have to face and that is, where we put the transformers in front of residents. I don't know if Mr. Consella's back. Is he here?

City Manager Iglesias: No Mayor, but I think while we are waiting...

Mr. Consella: I'm here.

Mayor Lago: He's on? Okay, I'm sorry. I wanted to make sure you were here.

City Manager Iglesias:...here to discuss [Inaudible]

Mayor Lago: Yes. We'll discuss it after the presentation. Sir, how are you? Good to see you.

Mr. Consella: Good. Thank you.

Mayor Lago: Before you get started. Thank you. I think we've been working on this for like two or three years now, for a long time.

Mr. Consella: Yes. It's been a while. A lot of cliffs and turns.

Mayor Lago: Yes. I think we are finally bringing this for a landing and its really going to benefit the city. This is one of our legacy projects for this Commission. Really pushing a significant portion of the city underground. So, the floor is yours my friend. Thank you

Mr. Consella: Thank you Mr. Mayor. Commissioners, thank you for having me today. We have a brief presentation. I don't know if the City Clerk has it up on the screen. There we go. The next slide, please. So, we are here today to provide a brief update regarding progress to date on the citywide undergrounding, the electric and communications utilities. We are also going to present action items pending and of certain recommendations and seek your guidance in a couple of issues. Next slide please. So, just in background for those there today and listening online. How we got here? This is something that has been looked at, really across South Florida, in particular since 1992 when Hurricane Andrew came through and did a number on several utilities. Many cities, including Coral Gables started looking at undergrounding. That kind of got accelerated and all the named storms back in the early 2000's, and then Irma in 2017, in particular, kind of was the impetus for this process that we are going through right now. Next slide please. The city started with a set of aspirational outcomes that were being looked for, number one, and most important the primary priority is to improve citywide electrical reliability and performance. That was a huge issue after all of these storms, Irma and Katrina, especially with all the tree damage and so forth, and it took weeks for certain areas to get back their power. In addition to just the general electric reliability, improved citywide safety with critical infrastructure having to do with everything tied to electricity; just lifestyle continuity after storms; aesthetic was another big one, with all the overhead to underground; improve liability, and the idea is to improve also, not just the electric that was the primary driver, but also on the telecommunications side; and also, improve the availability of EV charging across the city. Next slide please. The city had priorities to seem to avoid or eliminate financial burden on the city, financial strain on the city's capital expenditures, burdening city voters with political questions and voting on General Obligation Bonds and so forth, avoiding requiring a lot of city resources to administer and manage the project, and to try and shorten the timeframe as much as possible. So where would we begin. Next slide please. We began in 2020 with the current process. If you go to the next slide, please. Thank you. We started really with a much bigger project that we were looking at, partnering with FPL, but really led by the city and ultimately it was going to have to be paid for largely by the city, its residents. It was a 10-12-year project, bringing everything underground, it cost, I mean the numbers were in the hundreds of millions, let's put it that way. It required voter approval. It required yearly assessments of properties, and a lot of administrative work on behalf of the city. That was the big project with also big dollars. Next slide please. Where we are today, working with FPL after going through several iterations with them and some of the more recent programs that they've been authorized to move into by the Public Service Commission. We are now looking at two things; number one, the lateral lines within the neighborhoods, you know the ones in people's rear yards primarily, around the city, under the storm secure underground pilot program that was authorized for FPL to undertake across the State. Florida Power and Light wants to partner with the City of Coral Gables to really make this the biggest implementation of that program going on at the moment. Its essentially a ten-year plan to underground approximately 40 percent of what's overhead today in the neighborhoods. That is subject to Public Service Commission approval on a bi-annual basis,

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and so forth. That's a little bit of a moving target, but that's the goal and they really want to try to do that quicker if they can and they are committed to working with us to push that forward. And then the rest of the areas that are overhead would then follow in the subsequent year up to year 30. So that's within the neighborhoods lateral program. Next slide please. And there are also the overhead feeders, and those are the main lines that come into the neighborhoods to provide power across to the lateral system. FPL is in the process today of hardening those systems. These are the lines that FPL first attends to after a storm, because with these lines then they are able to feed critical infrastructure and so forth. So, FPL prefers to leave these overhead because they can see them quickly, fix them quickly and get them up and running within less than 72 hours after a storm, but they are hardening all these systems up to hurricane category 3 strength. They do plan to underground certain sections of that and working with the city to try to do that along signature streets where they are most visible, but that program is already ongoing. It's a 5-year plan, which they plan to finish in about three years from now. Next slide please. So, where we are today, with the storm secure underground program, which includes burying the laterals, FPL will be doing that. They are going to be spreading that across their rate base across the State. There is no direct cost to the City of Coral Gables or its residents. So, the initial investment that we had calculated \$240 million before is now no longer a burden to the city. There is no need for a bond issuance to pay for that. That would have cost your property owners thousands of dollars every year for the next 30 years. This is the 30-year timeframe program front-ended. As I mentioned, the first ten years of approximately 40 percent of what's left overhead would be undergrounded, with the remaining portion over the remaining 20 years on the program. We've estimated the electric reliability across the system will be in the neighborhood of 60 to 90 percent, better than what it is today. There is going to be a lot of directional boring or trenchless construction as part of this to minimize disruption to the neighborhoods and damage to trees and sidewalks and so forth, and we'll work with FPL contractors in getting that implemented. The city is still continuing to analyze how best to deal with overhead, in addition to burying the electric lines, there are telecommunication lines and cable TV lines up there. We are working with your City Manager, City Attorney on exactly how to best get that moving forward. That's not part of the deal with FPL. Another thing we are working with Florida Power and Light is, again, expanding the capability to have electric vehicle charging stations, all the new service lines to the houses will be properly sized to allow for home chargers and there is a possibility of putting public electric chargers at city facilities, we will work with them on that as well. Next slide please. So, the outstanding pieces of the puzzle are formalized, the expectations with Florida Power and Light as to their pilot program completion percentage within the first ten years and 20 years thereafter, which we are already working on, and the expectations from Florida Power and Light on how to convert these feeders along city streets to underground as much as possible. That's still an open issue. I mentioned the whole issue of burying of the telecommunications and cable lines. That's still an open issue that your staff is working on. We are also looking at reviewing and examining federal grant monies that could pay for anything that would come out of any of these open issues

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that money would be needed for. From what the consultants are telling us is about a possibility of somewhere around north of \$10 million dollars. And working with Florida Power and Light again on looking at those electric vehicle charging stations and where they could best be added into the system in public facilities. Next slide please. So, how did the city do as far as – go to the next slide please – accomplishing the city’s strategic priorities. We are improving reliability and performance somewhere between 60 and 90 percent and that includes to the critical infrastructure and the lifestyle continuity in the same percentage. The aesthetic, of course, large parts of the system are being put underground, all the laterals, some of the feeders. Part of this will be based on the outcomes with the telecommunications, which will still be up there, they are lower lines, but they are still up there. Their increase reliability of the communication services, again, is based on the outcome of whatever comes with AT&T and Comcast. And yes, the new service connections are being provided to each served property in the underground areas to allow for the higher loads for the electrical EV stations at each property. Next slide please. Again, there is no direct cost to the city or its residents. No financial strain as far as the CAPX budget. There is no need to go to a voter referendum to authorize this expenditure and so forth, because they are being taken on by the utility, and also the need for the cost that goes along with these referendums and so forth, the administrative cost for putting the ballot question and so forth, goes away. The inordinate amount of use of city resources of staff and personnel. It’s a turnkey project for the utilities, working with that the city would be supporting as far as permits and working with residents as needed. Although this is still a 30-year project, it is front-ended, 40 percent being done within the first ten years. The majority of the work will be done within the first ten years, so we think that’s a partial win on that strategic priority. Next slide please. So, finally what are our recommendations today? And the Mayor mentioned it, this is a great deal for the city. This is the strongest commitment that Florida Power and Light has made with any city in the state. It’s a good partnership. We are looking for your authorization for the City Manager and City Attorney to move forward with FPL, with these matters and opportunities for conversion with AT&T and Comcast as they become available. Later this year, we plan to report back to you to address these remaining strategic, legal, regulatory engineering and other issues; and we’ll partner with FPL on a citywide communication plan on how to get this massive undertaking to the property owners and their customers and your residents and present potential city legislation related to the removal of the overhead, the remaining overhead utilities AT&T and Comcast primarily.

Mayor Lago: I thought you were done. I apologize.

Mr. Consella: Well, actually I’m done.

Mayor Lago: Okay. Thank you.

City Attorney Ramos: To be clear Mayor, thank you Mr. Consella, and to be clear Mr. Mayor, these changes are per direction, the Manager can speak for himself, how much he recommends that we move forward in this way, but I want to make sure everybody understood that.

Mayor Lago: And I want people to understand, this new path forward doesn't cost the city any money. You are talking about potentially \$250 to \$300 million dollars, we were going to spend on some sort of referendum, and we were going to have to have significant staff working on this. Going underground protects our beautiful tree canopy, obviously, a direct correlation between quality of life, property values. Also addresses issues of redundancy, especially with the elderly and the sick; and it saves a significant amount of money for the residents over a long period of time if we were to do this. People are saying, wow, ten years. Yes. There are two other cities that I know of that currently that are proceeding with this privately and the process is ten years. So, we are going to get a big portion of it done within the first ten years, especially the areas that are most needed and I think this is a big win and a big legacy item for this Commission. And I look forward to my colleagues approving it.

Commissioner Anderson: I just have one comment, one question really. For the main feeder lines where there is not a plan to underground, are the poles going to be taller so that it reduces the need to trim trees and improves the aesthetics on the streets?

Mr. Consella: It's my understanding, Commissioner, that yes, when they harden the system, they don't just apply higher loading standards for wind and so forth and the design of the poles. They also take into account the new requirements for the Electric Reliability Council which deals with that, with height above vegetation and so forth, to avoid too much of that issue.

Commissioner Anderson: So, I'm going to share with you something I learned from our esteemed Landscape Director. When you are cutting the trees and you only cut them on one side to clear them for power lines, or in a V-cut, it also affects the root system. So, whatever we can do to eliminate these V-cuts on the trees and lop-siding the trees, it will actually improve resiliency for your system, because you're best likely have that tree falling into your lines.

Mr. Consella: Absolutely.

Commissioner Menendez: Just two comments, quick comments and then a question. I stepped out for a moment, so I apologize if the question was asked and answered. First comment, this is great. Its amazing, in terms of no cost, especially a burden on the residents. Second comment, do you do work with pickle ball, because we could definitely use your help resolving that issue too.

Mayor Lago: We're throwing that in there too.

Commissioner Menendez: Might as well. We underground, there is pickle ball room. The only question I had is and it's come up and I don't remember who mentioned it, what is required of the residents to make it happen?

City Manager Iglesias: Commissioner, the Mayor brought this up initially, and I talked to the Mayor about this, but FPL does the first part of undergrounding laterals. They are doing 1,023 homes of which 820 homes are in Coral Gables.

Mayor Lago: Yes.

City Manager Iglesias: And it converts about 6.45 miles of overhead to underground. The problem that we've been having is easements for locating the power equipment. And right now, the 202 easements required in Coral Gables, we are still missing 147, or 72 percent of those easements. So, without the easements, you can't really do the work. Now, they tried to locate the easements in the best places as possible, certainly between property lines, not in the middle of a house, and things like this, but there are some transformers, there are switch gears and things like that involved that is going to require easements so that putting it in the right-of-way also puts it in areas where they can be hit, so the ideal situation would be in an easement along property lines. And FPL is having a pretty difficult time doing that, which I thought we were too, because its not an easy job.

Mayor Lago: For example, if this project is accepted, in the next ten years we'll have over 50 percent, because we have certain areas of the city that are undergrounded.

City Manager Iglesias: We have over 50 percent.

Mayor Lago: Over 50 percent, that's a big deal, and no cost to the residents. I know that everybody would love to have everything their way, but its difficult. We have to accept certain things. Like for example, I'll give you an example. On my property, I don't like the fact that I live on a corner, and I have to deal with the street signage on the corner of my property. Its just a hinderance. If you live in a middle lot, you don't have a street sign on your property. I have a stop sign; I have a litany of other things on that corner that I have to deal with, and I have to manicure, and I have to work around, and I've got to figure things out. It affects my parking. It affects a litany of different things, but I have no other choice. I can't remove the stop sign; I can remove the sign. There are certain things that have to be there. If we are already doing undergrounding years ago in areas like Coco Plum, Gables Estates, those kinds of areas, I think Journeys End and a few other areas on Old Cutler have undergrounding, especially areas that are annexed. We have a standard process in the way this works. Can we just reflect back on that and say, this is the process we've done already in certain parts of the city, and we have to move forward.

City Manager Iglesias: Mayor, unfortunately those are handled during the platting process, as you know, that's the thing, these areas have already been platted. So, part of any new development in Coral Gables is to deal with, it has to be underground.

Mayor Lago: But remember what we are talking about. If we don't make a decision on this today, we are going to lose this opportunity, just like we have with the septic to sewer multi-million-dollar grant. So, you're going to tell me we're going to lose undergrounding for an entire city based on the fact that someone says, I don't want to have a small box.

Commissioner Anderson: So, I'll move it and then...

Commissioner Menendez: I'll second. I'll second, not an issue. So let me...

Mayor Lago: I'm sorry. I apologize. This increases property values.

Commissioner Menendez: I totally get it and you mentioned a couple of Commission meetings ago, we had the opportunity septic to sewer, but the cost per resident was very high and at that moment – we don't have that situation here. So, I have a question for the Legal Department. Are there any legal options that the city – well, I don't need an answer now, but maybe something to research. What legal options the city has to facilitate and expedite the undergrounding, whatever needs to be done when you have, maybe residents that are not responsive or not – I'm sure there is something collectively that maybe you all can bring back to us.

City Attorney Ramos: The easements are the only issue and the Deputy City Attorney, and I already have a call with outside counsel this week, specializes in utilities, to determine what our legal options are to get that done. And of course, an educational campaign helping people understand why its important would come first. We'd want to know what kind of hammer we have should we need to go there.

Commissioner Menendez: Because I think at the end of the day this is for the wellbeing of the entire city.

Mayor Lago: The greater good.

Commissioner Menendez: To a certain extent life safety kicks in and its once in a lifetime opportunity. So, I think its almost in a situation where we as a Commission have to take that extra step to make sure that this opportunity is not lost for our entire city.

Mayor Lago: Mr. Clerk, just a quick question, Mr. Manager, do we have any public comment?

City Clerk Urquia: Yes sir, we do.

Mayor Lago: So, we have a motion and a second on the floor that's why.

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City Manager Iglesias: Mayor and Commissioners, we just got this information recently, so the City Attorney and I are currently working on this to see what we can do as far as this easement issue or we're going to lose it.

Mayor Lago: We are not going to lose it. Let me explain to you, we are not going to lose it. We are moving forward. We are voting on this today, okay. I have residents who have been calling me for years that live next to Venetian Pool that their power goes off literally once or twice a week. I have a lady who lives on Granada whose daughter is paralyzed and she's in a wheelchair and a machine and she's had issues with electricity. We have to think about people outside of a small, you know piece of electronics that is in front of your property and think about the public good here. Guys, this is for free. We were going to spend \$275 million dollars. We've been working on this for a long time. I don't want to talk about this anymore. We have a long agenda; we've got a first and a second. I'm ready to move forward. Whatever tools you need legally move forward please.

City Manager Iglesias: We just got this recently. We are looking into it; we can bring it back at the next meeting and see what we need to do. What we do need now, Mayor, of course is approval of I-4.

Mayor Lago: I have a motion and I have a second.

City Clerk Urquia: Before I call the roll, Mr. Mayor, would you like to hear from the public hearing?

Mayor Lago: Of course, I would, always.

City Clerk Urquia: Its Mr. Jackson Holmes.

Mayor Lago: Yes.

Mr. Holmes: Great work. I support the pending motion and I offer you my admiration and for your dedication on this issue.

Mayor Lago: Thank you.

Mr. Holmes: So, I'm going to just play Mr. Stupid for a second, because I've been kind of out of the loop and ask one question, but I support it. I hope you all will adopt this thing and not lose the funding. Here comes my question. With rising sea levels, how does it factor in? If something is underground, does that make it even more difficult to make or repair, how does that play out?

Mayor Lago: Mr. Manager, we've had this discussion before.

City Manager Iglesias: Yes. The fact that its aerial makes it much more susceptible to hurricane damage. The fact that its in the back makes it very difficult to repair. We've got to use the existing elevations that we have now, but since rising waters over a multi-decade period, I think that can be adjusted for sea level rise.

Mayor Lago: And the housing that will be used, the compartments, the technology that's available for us today with direction mooring, takes that all into account. We are not the first city to be doing this. We are just taking advantage of a new program that we've helped address.

Mr. Holmes: Okay. Great.

City Manager Iglesias: And Mayor, storm surge areas get inundated, they dry again, and they are functional on this.

Mayor Lago: Thank you for being here. Anyone else, Mr. Clerk?

City Clerk Urquia: No sir.

Mayor Lago: We have a motion and a second.

Vice Mayor Mena: Yes

Commissioner Menendez: Yes

Commissioner Anderson: Yes

Commissioner Fors: Yes

Mayor Lago: Yes

(Vote: 5-0)

Mayor Lago: Congratulations. This has been a long time coming, a lot of work. This is going to bear fruit, its just going to take about ten years, over the next ten years. We are patient. We'll be here.