

City of Coral Gables City Commission Meeting
Agenda Item G-2
June 8, 2021
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 Manager, Peter Iglesias

Assistant City Manager, Ed Santamaria

City Attorney, Miriam Ramos

Assistant City Attorney, Stephanie Throckmorton

City Clerk, Billy Urquia

Public Speaker(s)

Maria Cruz

Agenda Item G-2 [12:38 p.m.]

A Resolution of the City Commission directing City staff to resume community engagement, hold workshops with the City Commission in early 2022, and place any necessary items on the June 2022 City Commission Agenda for the Commission's consideration of whether to place a ballot question before the voters relating to the undergrounding of Utilities Citywide.

(Sponsored by Mayor Lago)

City Attorney Ramos: A resolution of the City Commission of Coral Gables, Florida, directing City staff to resume community engagement, hold workshops with the City Commission in early 2022, and place any necessary items on the June 2022 City Commission agenda for the Commission's consideration of whether to place a ballot question before the voters relating to undergrounding of Citywide utilities. This is sponsored by Mayor Lago. Mr. Castella is present. He will take us through a PowerPoint presentation, and then the Commission can consider the resolution.

Mayor Lago: Sir, how are you? It's great to have you back.

Ramon Castella: Thank you. And good afternoon, Mr. Mayor. It's good to see you. City Commissioners and Mayor, Madam Attorney, Mr. Manager. Okay, we have a little PowerPoint presentation for you today.

Mayor Lago: How many pages is the PowerPoint, if I may ask?

Mr. Castella: I can go through it very quickly, or you know...

Mayor Lago: No, because there's a reason why. I'm not in a hurry.

Mr. Castella: Yeah.

Mayor Lago: The reason why I'm asking is because Vice Mayor Mena, Commissioner Fors, we're pretty well-versed on this issue.

Mr. Castella: Yes.

Mayor Lago: The reason why I put this on the agenda is for my colleagues, my new colleagues, which we're blessed to have them here, so that they can engage with staff and yourself to restart

this conversation because this is something that's going to take some time, and we're hoping in '22 to put this before the voters. So, I just wanted to kind of give you -- you know, today's just a brief presentation, and then this is going to be an ongoing discussion moving forward with -- as long as we have consensus from the Commission.

Commissioner Menendez: And we're quick learners, Commissioner Anderson and I, I think, so far.

Mayor Lago: Yeah, this is a lot of information though.

Mr. Castella: It is. It is a lot of information. Let me bring it up here. Okay, I pressed every button on here.

Unidentified Speaker: Yeah, they're coming out.

City Clerk Urquia: Just give them a second.

Mr. Castella: Okay.

City Clerk Urquia: Cable TV's putting it on.

Mr. Castella: So, as the Mayor said, the main reason we're doing this is really to formally introduce the project to the new members of the City Commission, Commissioner Anderson and Commissioner Menendez, provide a refresh in general to the Commission and to the public, and to propose a go-forward plan to resume community outreach, if that is the will of the Commission. Here we go. Brief history. Of course, hurricanes are the big driver of all this, really the prime mover of it, going back to Hurricane Andrew in 1992. That's when the City first started formally looking at undergrounding power. Several storms had hit the City in the 2004-2005 hurricane seasons. Further (INAUDIBLE), and then Irma really was the one where the City decided to start

actual studies and start to look at the project on a real hands-on basis with the utilities. We have -
- back in May of 2019, the City Commission held a workshop to go over potentially
undergrounding, and that led to -- through a series of studies with the utilities and so forth, the City
Commission directing the Administration to move forward with preliminary analysis and a public
outreach campaign that was presented formally to the Commission in December of 2019, and then
of course, we were just about ready to roll it out. We were going to have our first big public
presentation at Coral Gables High. That was in March, of course, that's when pandemic hit and
everything was put on hold on an emergency basis, and then there was a formal pause in the process
at the August 2020 Commission meeting. So, this is really the first action by the Commission
since then. A lot of work was done, including -- from 2019 to the present, including scoping the
project, costing projections, how to phase the project out, seeking a fair and equitable way to pay
for it and distribute the cost, and putting together really a robust, very robust community
engagement plan, along with looking for funding sources beyond the City itself. So, the -- again,
there was a lot of material prepared for the public outreach, slide decks, renderings. There was a
website, mailing list, and again, we were getting ready to roll it out. We had actually done a little
bit of preliminary socializing of the plan before the actual roll out, which was very well received,
and we got some generally very positive feedback and some, you know, good questions and
concerns. And then two days before starting to roll out the plan, COVID hit, everything was put
on hold, suspended everything through -- that was to flow behind it. And then since March of last
year, for over a year, the project again has been on hold, but we've been doing certain things like
looking for opportunities with the utilities to not just bury the system, but improve it significantly
and looking at funding sources that are becoming available, especially at the federal level, through
all the discussions in Washington that are going on with the infrastructure spending. This is
actually the slide that we planned to start our public engagement with, and again, it's an outline of
the main driver behind all this is hurricanes. You see the track of every tropical storm or hurricane
that's hit Florida in the last 100 years. You can't even see Florida, essentially, in there, and South
Florida is even worse. Coral Gables has -- approximately 80 percent of the City is currently still
overhead, 20 percent being buried, and most of the -- almost all the electrical substations that feed
the City are actually located outside the City. What you see outlined here in the green bubble is

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essentially the project. We're not touching anything from the power plant through the transmission, down to the transformers and the distribution centers. It's only from there out to the houses and the businesses and all the distribution lines that we're talking -- that is this project. I'm sorry, these elements here would remain as they are today. Those are the high-tension lines, like for example, the one you see down Dixie Highway, US 1, and the substations that, again, are mostly located outside the City, and those will stay as they are today. What will be buried is essentially everything you see in this picture. You have the electrical lines at the tops of the poles. You have transformers that will go down in the ground, all the drops to the houses and businesses and all the communication and cable TV lines. This is the map of the city. What you see in yellow is what's currently buried today. The red dots are the transformer stations. The only one being inside the City boundaries is the one at University of Miami. And we're talking again about Florida Power and Light, AT&T, and Comcast, all of that being buried and conversion of everything out to the substations, in other words, those red dots, even if they're outside the City. We're talking about burying all that as well because that way it provides the best hardening where you're dealing with from the substation out and you don't have to worry about anything that's above ground. Typical conversion plan over on the right side of the street, you have the existing overhead in the rear yards dropping to the houses. Everything would be converted as shown on the left side of the street, where it's all underground, except for transformer pads, which is that little green square between the two houses on the left, which would be essentially one of these, a transformer where you see those on the ground in areas that are underground. You also see some much larger equipment that's typically set in areas where they can be heavily landscaped and kind of blend into the background. There will be a lot of what's known as trench-less installation proposed, where there's a little bit of digging, but mostly everything is done basically like tunneling, and you don't have to rip up so much of the roads and swales. And of course, the overhead drops, like the one you see on the left will disappear. Everything now comes up from the ground, right to the meter of everybody's home. A lot of benefits to the undergrounding, you're getting a much more robust and resilient system, not just to hurricanes, but to everyday blue-sky outages that occur. It's a matter of public safety. You have street lights staying on, traffic light staying on, no more downed powerlines, a lot less disruption to the community in general and to schools, also elderly homes,

nursing homes and so forth, we'll keep power to them. You have continued communication after the storms, of course, the aesthetic of not having trees cut for powerlines and stuff by the utilities; that goes away. There's -- it's been proven that property values increase due to undergrounding. It's in accordance with your own City's policies for green city policies that are forward thinking. Future-proofing, sustainability, you know, a lot of the things that are important to the City, protecting the trees, the canopy. There's also opportunities to improve the infrastructure to provide extra capacity for solar battery storage, electric vehicle charging stations as part of the project. There's also -- you know, there's a lot of pluses to doing it. There's also some concerns and cost; one of them is time. It's at least 10 years to do the project city-wide, which is what's being looked at. And the whole issue of when to do one area versus the other, and when is it might turn. Of course, there's the inconvenience of any construction to the neighbors, and to the residents, and to the businesses. You do have the pad-mounted transformers that they each need to find a place to put it where it's, you know, as unobtrusive as possible. And of course, there's the cost. We had estimated a total cost of between 350 and 390 million, and right now, if it were to move forward - - and that's still many, many steps from there -- the plan is to pay that through assessment to the property owners, through City issued general obligation bonds minus any outside funding, of course, that could be found and applied for the job. There was -- and in the presentation that would go to the public, it was a lot of detail on thus, and there was an assessment methodology that was come up with that was fair and equitable, taking into account areas that are already underground. They're still receiving some benefit, so there's, you know, a different level of assessment to them, but still there's some payment. And in general, annual installments for 30 years for most parcels would equal about 50 cents per adjusted square foot of building area. The -- I'm sorry. So, once this -- if it moves forward, there's of course, final binding estimates given by the utilities, and the exact assessment amount is based on actual project costs. And property owners would be given three payment options: one is pay it over time -- I think it would be 30 years -- pre-pay the whole thing upfront, or pay it off any time during the 30-year payment period of whatever the remaining principal balance is. A lot of opportunities for savings by the City. One of them is the near record low interest. Of course, costs are always going to escalate, and we've assumed and estimated, you know, and built that into these costs. There's also Florida Power and Light will provide a 25

percent discount, which we're also would be taking advantage of. And of course, there's the, like I said, the idea of building the most advanced and robust electric and communication system you can now that you're converting the whole thing. The utilities are very interested in working with the City to make this a model for -- a signature project for conversion. Right now, this project -- should it move forward -- it would be the largest such project in Florida by a factor of five, so it's very, very significant to the utilities. And of course, the timing of potential federal funding is a big deal right now. Some of your neighbors here in South Florida have undergone this process, Jupiter Island, Jupiter Inlet Colony, Gulfstream, Golden Beach. Town of Palm Beach is currently doing the work right now, similar to what Coral Gables is looking at, and they're the largest to date. If Coral Gables were to move forward, Coral Gables will be five times the size of the Palm Beach system. Key Biscayne is also looking at it. Pinecrest and Miami Springs are looking at limited versions of what Coral Gables is looking at. If the plan would be approved, put before the voters and approved, it would be executed from the last customer back to the system. It wouldn't be -- it would be based on an engineering approach. There will be a robust communication process with, of course, residents and business owners and the public in general. And again, everything will be managed from an engineering and a financial perspective on behalf of the City, of course, working directly with the residents and property owners to make sure that, you know, they're inconvenienced as little as possible. And again, it's approximately 10 years to complete the process. So, the next steps for the City should the Commission decide to move ahead with this, to restart the process that was started -- and we stopped it almost a year ago, formally -- would be to restart the community outreach and engagement around August, waiting for, of course, folks to be back from vacations and so forth and time off, obtain updated non-binding estimates from the utilities. They typically only give six months duration on their estimates. We are way beyond that at this point, so we do need to update those, and then schedule at least one City Commission meeting sometime early next year, that way -- starting in August of this year, we can start the public outreach across the board in the way that the City wanted to do it originally. And you have basically the whole fall and early winter to get the word out, get -- listen, get feedback from the community, get all the input, hear all the questions, hear all the concerns, to fully inform your plan, and then come back to the Commission, have a workshop in the early part of next year, of course,

a public hearing, and then decide whether the City wants to put that on the ballot in 2022 to move forward with the plan. So, there would be a -- sorry, looking at my notes here. Yeah, so it would be the -- to get it on the November 8 general election ballot of next year, we just need -- the City would need to do that by July 29th to move forward and be able to get it on the ballot. And with that, if there's any questions, I'm here to answer them.

Mayor Lago: Well, thank you. Thank you for providing us with the...

Commissioner Anderson: I have a few.

Mayor Lago: Yeah -- no, I'm saying, but I...

Commissioner Anderson: Maybe we can have a meeting afterwards, but I got a list.

Mayor Lago: Go ahead.

Commissioner Anderson: So, education is important because then, of course, residents ask me questions, and if I don't know how to answer them, I don't know. I noticed in the display that you showed that the line would go in front of the house as far as where the trenching would -- or the digging would occur.

Mr. Castella: Yes.

Commissioner Anderson: And that a good portion of it can be bored, I think is the term you used.

Mayor Lago: Directional boring.

Commissioner Anderson: Directional bored...

Mr. Castella: Correct.

Commissioner Anderson: So we could avoid a lot of the digging...

Mayor Lago: Yes.

Commissioner Anderson: In the streets. For folks that have already undergrounded their service from their pole to their house, are they now going to have to pay for sending it all the way back out to the street?

Mr. Castella: Correct. I mean, whether the resident would pay for that or it would be part of the project cost is not clear right now, but it would have to be re-routed.

Commissioner Anderson: It would have to be re-routed, yeah, so...

Mr. Castella: Yes, because now the service -- it must -- you know, it would have to go to the front.

Commissioner Anderson: Okay, well, you know, and experience is always a great teacher. I put the solar panels on my house, and had I known what I knew at the end of the project at the beginning of the project, I would have had the meter moved, and I would have undergrounded my service to the pole. However, the estimate that I received for undergrounding it to where the meter was, was three times the amount as it would have been if I had moved the meter. Is that going to be part of the discussion and the educational portion, so people understand...

Mr. Castella: Yes, definitely.

Commissioner Anderson: Better those particular things?

Mr. Castella: Yes, it's a big deal. We did a very similar project to this, much smaller scale, for the Town of Golden Beach. And really, that ended up being probably the issue is the moving of the services from the rear to the front.

Commissioner Anderson: Right, right, because where that meter is from determines the distance that you have to...

Mr. Castella: Yeah.

Commissioner Anderson: Go through.

Mr. Castella: Yeah.

Commissioner Anderson: And can that be done directional bore as well?

Mr. Castella: Yes.

Commissioner Anderson: Okay, good, so we're not tearing up all our yards.

Unidentified Speaker: Yeah.

Commissioner Anderson: Elevation of the transformers. There's a need for greater elevation in certain areas. And my tour of Cocoplum, I heard lots of concerns by residents. Is there a plan to deal with the elevation needs of low-lying areas to put these transformers up higher somehow, but yet aesthetically pleasing?

Mr. Castella: Yes, and we had -- again, I'm speaking about Golden Beach because that's a project that we did, another low-lying area. And they were raised. The town decided to raise them slightly,

but not to base flood elevation. I mean, they would have been five feet up in the air if that were the case. So, I mean -- and these units are made to take a flood. I mean, they can go underwater and then just have cleaned off with fresh water and they can be put back in service by the utilities. But yeah, you want to try to keep them at least out of nuisance flooding elevation, as opposed to storm flooding elevation.

Commissioner Anderson: Okay. My next question has to do with the amperage needs because times are changing.

Mayor Lago: Yep.

Commissioner Anderson: We're getting more and more cars that are going to be needing charging. How is this system going to meet those needs of the future without having to re-bore or re-dig again?

Mr. Castella: Yes. And typically, transformers now are set up to handle much larger homes, like maybe, I don't know, 30 years ago, a transformer of a certain size would have handled -- the utility would have designated it to handle four homes; maybe today it's three homes or two homes. So, they take all that into consideration when they're laying out the undergrounded system and where those transformers go and how many houses feed from each one.

Commissioner Anderson: 400 amps is like for Tesla, I believe, is the requirement, so that's some pretty hefty service. That's enough to service a manufacturing facility, so that's why I'm asking that question.

Mr. Castella: I don't think you're going to get super chargers in your home, but you know, that's three-phase power. But like a typical home EV charger that, you know, works off the 220 volt power, that's taken into consideration.

Commissioner Anderson: But not the 400 amps. So, if somebody wanted that, they would need to designate that ahead of time?

Mr. Castella: They would have to work that out with Florida Power and Light, I would think, just like if somebody wants to run a T1 line for communication to their home. They have to work that with the...

Commissioner Anderson: Okay. I noted that you had a price at that point in time that this was bidded out, 50 cents per adjusted square foot of building area.

Mr. Castella: Yeah, that was our estimate.

Commissioner Anderson: So, if I -- a home with 1,500 square feet of adjusted building area, would that be 750 per year?

Mr. Castella: Per year.

Mr. Castella: Per year.

Mr. Castella: Yeah.

Commissioner Anderson: On cost.

Mr. Castella: Yes.

Commissioner Anderson: And last question, you mentioned batteries. Is that meaning that you can include battery backup in these transforming units?

Mr. Castella: That's something...

Commissioner Anderson: Or what is it that you were referring to?

Mr. Castella: Yeah. That's something that utilities in some cases are doing, and other cases are looking at is to have battery storage, you know, for areas so that if one area goes out, there's -- they don't need to rely on the rest of the grid, but they can feed off the battery that feeds that area.

Commissioner Anderson: So, if I have solar panels...

Mr. Castella: Yeah.

Commissioner Anderson: I can charge the battery. Is that what you're describing?

Mr. Castella: Not -- I mean, if you have batteries in your home for the solar, that's separate. You know, that's behind the...

Commissioner Anderson: Let's assume I don't.

Mr. Castella: Yeah. I think the idea is that those batteries get charged from the line current, and if the power goes out, it serves to electrify the area until the power comes back on.

Commissioner Anderson: Right. Well...

Mr. Castella: Like a utility scale battery storage is what I'm talking about.

Commissioner Anderson: Well, I'm thinking of it from the standpoint of if people have solar panels and they haven't put in the batteries yet, perhaps this can also be a win-win situation where the battery units can be put in the box.

Mr. Castella: Right.

Commissioner Anderson: You know, there could be an option here.

Mr. Castella: Yes. I hadn't thought about that, but you're right. It would be essentially the same thing.

Commissioner Anderson: Okay.

Mr. Castella: Yeah.

Commissioner Anderson: Alright, that's it. Your turn.

Commissioner Menendez: My list isn't that long, so short and sweet. And I think it was already mentioned earlier, just basics. Obviously, if we have a gust of wind, 40 miles per hour, half of Coral Gables loses power, just like half of South Florida. But we have a huge tree canopy. Regarding tree canopy, what kind of threat to this system are tree roots, and if we do have a hurricane and there is flooding, and there is something that goes wrong with a line to be able to repair it? Because I know -- I think most everything is absolutely wonderful compared to, you know, what we all go through as South Florida residents, but I do -- you know, I have read that those are two issues and obviously...

Mr. Castella: Right.

Commissioner Menendez: You know, need to be discussed.

Mr. Castella: Yeah, that's a good point. You know, one thing we would do is to work with the utility, with Florida Power and Light, to make sure that the lines are deep enough, that they're -- and the City's arborist to make sure that the lines are deep enough that they're under the typical

root zone within the city. As you know, you know, with the hard rock here, kind of the roots are within the first two or three feet, and then below that you're okay. But you're right. So, if an underground line gets damaged, it is much harder to find than -- not much harder, but it is harder to find than an overhead line because you can just see the overhead line. You have to kind of test and dig, and you know, but it's much, much more infrequent that it does get damaged, so...

Commissioner Menendez: Right.

Mr. Castella: That's the trade-off.

Commissioner Menendez: Then my follow-up question to that issue is if the -- you know, just assuming the roadway or something has to be torn up, who then pays for that tearing up and putting it back the way it was?

Mr. Castella: To install the underground?

Commissioner Menendez: No, once it's installed but you have to repair it. So, to repair it, I'm sure you have to dig again...

Mr. Castella: Yeah.

Commissioner Menendez: Fix it.

Mr. Castella: Yeah.

Commissioner Menendez: So, there -- I'm sure there's a cost of the digging, and there's a cost to putting it back the way it was once the repair is made.

Mr. Castella: I mean, typically, that's the utility's cost.

Commissioner Menendez: Okay.

Mr. Castella: Yeah, and they have to do it to the City's standard.

Commissioner Menendez: Perfect, thank you. And my last question basically might be a legal question. Is -- you know, a lot of folks are very protective of their properties and their property rights and don't like anyone really that they don't know going onto their property. It's just a sign of the times. This will -- I think what was discussed earlier -- require the folks that do this undergrounding go onto actual private property to complete or...

Mr. Castella: To a point, yeah.

Commissioner Menendez: So, what do we do -- obviously, you know, there'll be a, you know, ballot and a vote, and you know, the community spoke through the ballot. How do we address -- what's the protocol? What's the procedure to get the work -- the folks working on those lines on the properties without having an issue with each property owner one by one?

City Attorney Ramos: We would probably make it a requirement of the Code. Right now, the Code requires that you let a utility on to perform certain repairs onto private property. And if you don't, it's a Code Enforcement citation. So, we probably have to put something similar in place. Obviously, you don't want to get to that, but that would be the hammer on the end if they didn't want to cooperate.

City Manager Iglesias: Many of our properties have easements in the back, where you share a five-foot easement on each side, which is a ten-foot easement where your current water, power, and other utilities are in. We've discussed whether we go in the front or we go in the back. And there are issues going in the front because you got the transformers in the front, which probably nobody wants. So, there's a number of issues that we have to look at. But most of our subdivisions

were done with a five-foot easement on adjacent properties, which gives you a total of 10 feet, which you have the right to -- we have the right to put utilities through.

Commissioner Menendez: So, I mean, I know it's way early in the process because, you know, one thing we do not want to have happen is we go through everything, everything gets approved, the funding's there, everybody's getting work. All of a sudden, we -- the whole process is delayed. So, I'm sure -- you know, the City's always done a great job, but of educating the community as to, okay, everything's in place. This is how we're going to proceed. Don't be surprised. So, that community engagement is going to be key at least to make this whole thing work efficiently and effectively.

City Attorney Ramos: Ramon, do you want to talk about the web page that we had started?

Mr. Castella: Yes, and maybe I glossed over it, but that's part of the public outreach that was started -- well, was about to start last year. There was a dedicated website set up specifically for this project with a lot of those common questions and a lot of maps, and it's very interactive. So, all that would be brought up again, and you know, kept current as things -- questions come up or, you know, new information becomes available.

Commissioner Menendez: And just -- you know, again, we're a year or so away, if not more. Also, I recommend that we have some designated hotline because not everybody is tech savvy.

Mr. Castella: Yeah.

Commissioner Menendez: But you know, somebody assigned to receive calls to answer questions on the spot, just something looking into the future. Thank you.

Mayor Lago: Thank you, sir. So, what we need here is a resolution -- is a motion to move forward on this.

Commissioner Menendez: I'll move it.

Commissioner Anderson: I'll move it.

Commissioner Menendez: I'll let Commissioner Anderson. I'll second.

Commissioner Anderson: Okay.

City Clerk Urquia: Vice Mayor Mena? He's not there.

Commissioner Menendez: Yes.

Commissioner Anderson: Yes.

Commissioner Fors: Yes.

Mayor Lago: Yes.

(Vote: 4-0)