



2019 ANNUAL REPORT

Your Citizen
Owned Energy
at Work

CitizenOwnedEnergy.com



We support the Lake Worth Beach Strategic Plan through our relentless pursuit of lower energy cost, increased reliability, better customer service and working towards a carbon-free future





We are committed to providing our community with the lowest cost, most reliable, and sustainable power possible

Ed Liberty, Utility Director

As the electric utility serving the City of Lake Worth Beach and the surrounding communities of the Village of Palm Springs and Palm Beach County, we support the Lake Worth Beach Strategic Plan to achieve a vibrant and sustainable future. As your electric utility, we support the community in its efforts to attract people looking for a great place to live and work.

The most significant impact our electric utility can have is by delivering low cost, reliable, and clean energy. We are pleased to share with you our 2019 results and future vision.

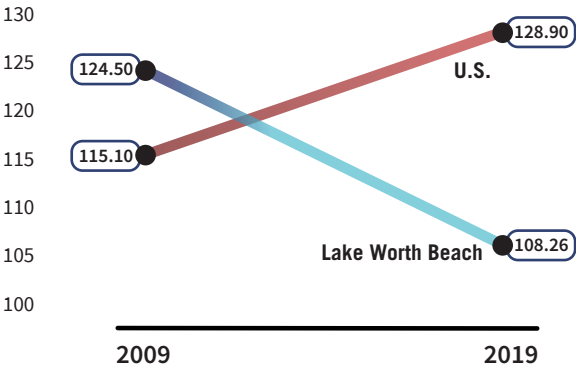
A year of progress against our most important goals

Reduced cost

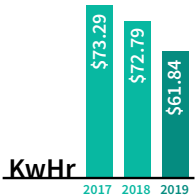
In 2019 we maintained our residential electric rates among the most competitive in the state of Florida and well below the national average. We achieved this through continued cost-cutting, including new wholesale power contract to reduced internal operating costs. Our purchased power costs decreased in part from the national trend of decreased natural gas prices, which directly affect almost 50% of our energy supply, but also from improved capacity pricing and increased operational flexibility.

Savings achieved have been reinvested in the electric utility to strengthen our financials and in electric system improvements while also providing our citizen owners with over \$6.6 Million annually in contributions to support valued services such as basic city operations, parks and recreation, law enforcement, fire and rescue, and a multitude of community festivals and entertainment activities.

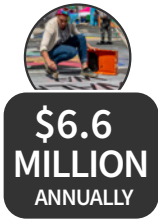
LAKE WORTH BEACH RESIDENTIAL COST LOWER TODAY THAN 10 YEARS AGO AND WELL BELOW NATIONAL AVERAGE²



COST REDUCTIONS



CONTRIBUTION TO THE COMMUNITY¹



Improved reliability

Our focus on reliability efforts which we initiated in 2018 began to show positive results in 2019. Our most important measures of reliability, numbers of outages and average times of interruptions, both decreased over 39% while the average length of time to restore customers affected by outages decreased by over 28%. These gains are evidence that the measures we've implemented are having a positive effect and are improving our customers' experience.

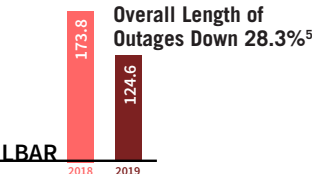
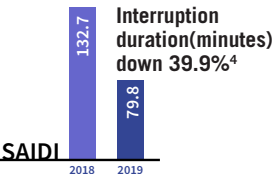
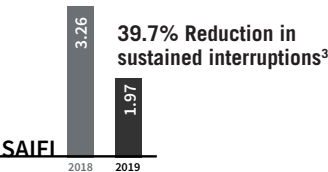
Our \$100 million capital plan for 2020 and beyond has been approved resoundingly by our Mayor and City Commission as a show of our commitment to continued improvements. Projects underway in 2020 include hardening of critical infrastructure to improve reliability, deployment of technology aimed at minimizing outage durations, increased use of pole wraps and shielding of energized equipment to keep wildlife from accessing overhead lines, and significantly increased vegetation and tree trimming efforts to reduce contact with our lines.

Sustainability; Energy Efficiency and Solar Energy

We continue to make strides in reducing our carbon footprint. Building on gains made in reducing electric consumption associated with providing needed City services, such as converting the City's streetlights to lower wattage LED versions, replacing HVAC equipment in City buildings with

1 Comprised of \$4.8 million General fund contribution plus \$1.8 million in shared services
2 City rates from FMEA Analysis of 1,000 kWh per month and U.S. from EIA Annual Electricity for Residential
3 SAIFI: How often the average customer experiences a sustained interruption
4 SAIDI: The total duration of interruption for the average customer(minutes)
5 LBAR: The overall length of outages

RELIABILITY IMPROVEMENTS



We have a viable plan for continued improvement and the projects, contracts, and team in place to deliver it.

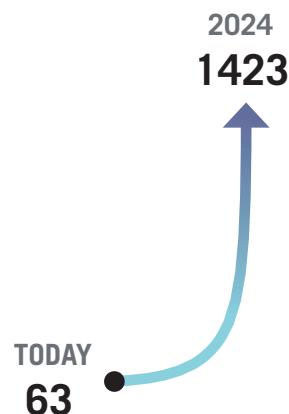
more efficient equipment, to installing simple devices such as motion sensors for indoor lighting, and adding electric vehicles to our fleet, our Citizen Owned solar photovoltaic farm atop a closed City landfill has been exceeding production estimates. Your Lake Worth Beach electric utility is making visible commitments to significantly reducing air emissions associated with electricity use.

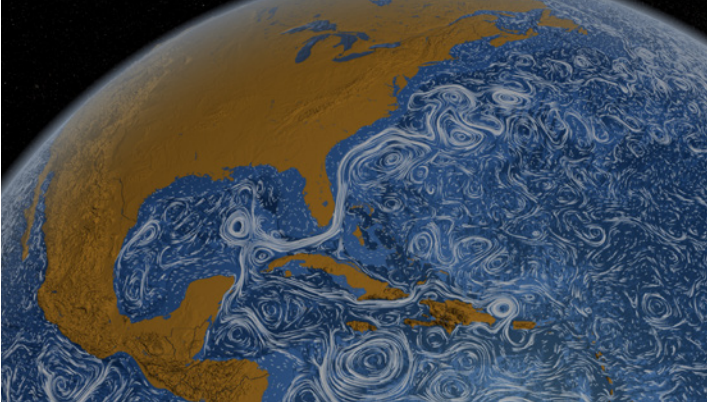
We've committed to participate in the Florida Municipal Power Agency's Solar Project by agreeing to purchase the output of over 36 Megawatts of solar panels beginning in 2023. Combined with our own 1.7 Megawatt solar farm's output and our long held 22 Megawatt share in the St. Lucie nuclear plant, all of our customers will benefit from an electric supply that is over 50% carbon free. Our significant commitment to the purchase of solar energy from the largest solar energy installations in the state places us among the leaders in the state of Florida and comes with production guarantees and very competitive and stable pricing over a period of 20 years

Ocean Current Energy

Lake Worth Beach's leadership are tireless proponents and promoters of utilizing the naturally occurring Gulfstream current to produce clean electric energy. Your electric utility is uniquely located to provide the land-side interconnections needed to bring ashore the electricity generated from this natural resource.

INSTALLED SOLAR WATTS PER CUSTOMER





We are partnering with the Southeast National Marine Renewable Energy Center at Florida Atlantic University to harness the power of ocean current technologies

Working in conjunction with the Southeast National Marine Renewable Energy Center at Florida Atlantic University, the City of Lake Worth Beach has completed conceptual studies of how this resource can be harnessed. Supported by expressions of interest from equipment developers and manufacturers worldwide the City is working to secure needed Federal and State grant funding to move the project from concept to detailed engineering, with the aim of establishing Lake Worth Beach, Palm Beach County, and the State of Florida as the nation's epicenter of innovation in sustainable ocean current energy production.

2020 and Beyond

Our challenges are significant, as are our opportunities. We performed well in 2019 in our reliability improvement efforts, and we see results in our cost reduction initiatives initiated in 2017 and 2018. Our results not only show in our detailed analysis but, more importantly, are experienced by our customers every day. We forge ahead, knowing that we have a viable plan for continued improvement, projects underway, and contracts in place to achieve the plan, and the team needed to execute the plan.

Ed Liberty

Utility Director

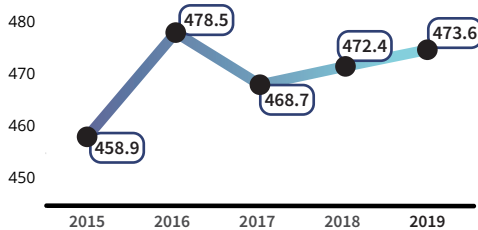
Lake Worth Beach Electric Utility

Highlights

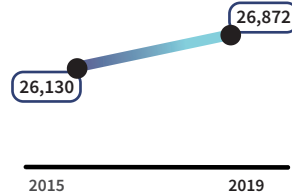
Performance highlights

GROWING ELECTRIC DELIVERIES

Thousands of MwHrs



GROWING CUSTOMER BASE



Solar projects

FALL 2017

1.7 MW City-owned solar farm atop our landfill

SUMMER 2023

10 MW contract with FMPA Municipal Solar I

FALL 2023

26.55 MW contract with FMPA Municipal Solar II



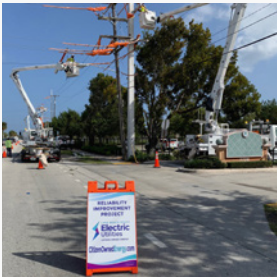
Customer experience improvements

IMPROVED WAYS TO PAY:

- Pay by phone any time, day or week.
- Customer payment portal.
- Pay Near me: pay in cash in person at multiple locations any day of the week and outside of business hours.



System hardening and reliability



SYSTEM HARDENING

Installing poles designed to withstand category 5 winds.



WILDLIFE WRAPS

Protective wraps to prevent outages caused by wildlife coming in contact with energized equipment.



VEGETATION MANAGEMENT

Clearing trees and brush from contacting energized equipment.

We are committed to our role supporting The City of Lake Worth Beach Strategic Plan

PILLAR ONE

Competitive location of choice

ECONOMIC DEVELOPMENT INCENTIVES

The Mid residential and commercial development on North Dixie Highway at 17th Avenue supports multiple City initiatives, and includes an incentive tied to the realization of future electric utility revenues from the project.

The Bohemian residential and commercial development 1017 Lake Avenue includes an incentive tied to the realization of future electric. Avenue includes an incentive tied to the realization of future electric. utility revenues from the project.

PILLAR TWO

Neighborhood of communities

DIVERSIFY HOUSING OPTIONS

Support of new housing development in urban areas of the City located East of Route 95 with economic incentives and infrastructure upgrades.

PILLAR THREE

Cultural & Historical Diversity

INSPIRING ARTS AND CULTURE THROUGH CITY EVENTS AND PROGRAMS

Sponsorship of City events such as the Street Painting Festival and other cultural events through our contribution to the city's general fund.

PILLAR FOUR

Sustainable Community

ACHIEVE ECONOMIC AND FINANCIAL SUSTAINABILITY AND FACILITATE ENVIRONMENTAL SUSTAINABILITY THROUGH INFRASTRUCTURE INVESTMENTS

We are upgrading our infrastructure to ensure improved electric service reliability and resilience to storms and wildlife.

Continued contributions to the City's general fund and shared services to offset tax increases.

The Bohemian residential and commercial development 1017 Lake Avenue includes an incentive tied to the realization of future electric utility revenues from the project.

PILLAR FIVE

Government for all

ESTABLISH A CULTURE OF CONTINUOUS IMPROVEMENT AND STRENGTHEN STANDARDIZED PROCESSES

We've improved internal and external processes aimed at reducing costs, improving customer experience through the use of technology, combined with benchmarking to peers and tracking of key performance indicators with a focus on continuous improvement

Public reporting and discussion of progress towards goals through the addition of a third monthly meeting of the City Commission to focus on electric utility matters.

LAKE WORTH BEACH CITY COMMISSION



Mayor
Pam Triolo



Vice Mayor
Andy Amoroso



**Vice Mayor
Pro Tem**
Scott Maxwell



**District 2
Commissioner**
Omari Hardy



**District 4
Commissioner**
Herman Robinson

LAKE WORTH BEACH ELECTRIC UTILITY

Ed Liberty, Utility Director

CITY MANAGER

Michael Bornstein

Your Citizen
Owned Energy
at Work

CitizenOwnedEnergy.com