

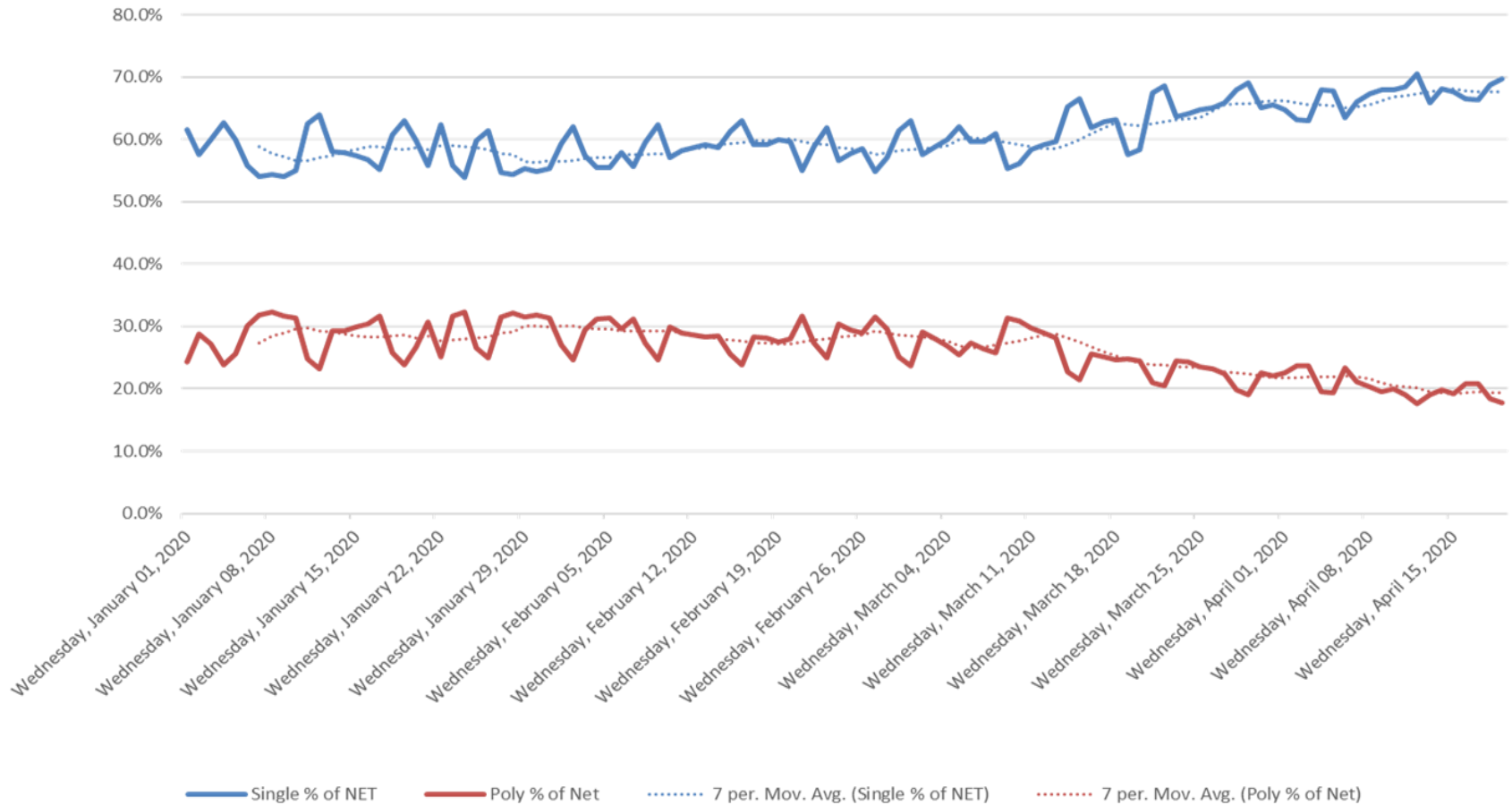


Electric Utility Presentation  
April 28, 2020  
Ed Liberty, Electric Utility Director

# Energy Use Metrics Showing Increases In Energy Delivered

	<u>kWh FYTD</u>	<u>TDD FYTD</u>	<u>CUST FYTD</u>	<u>kWh APRIL</u>	<u>TDD APRIL</u>	<u>CUST MAR</u>	<u>AVG Daily Peak</u>
	<u>4/20/2020</u>	<u>4/20/2020</u>	<u>3/31/2020</u>	<u>4/20/2020</u>	<u>4/20/2020</u>	<u>3/31/2020</u>	<u>4/20/2020</u>
2019	230684365	2025	159889	25534955	235	26766	71.78
2020	233856864	2326	161593	25717221	284	27074	72.65
Change	3172499	301	1704	182266	49	308	0.87
%	1.375%	14.864%	1.066%	0.714%	20.851%	1.151%	1.212%

# Residential & Commercial Consumption by % to Net System



# 6+6 Financial Forecast

SUMMARY OF FINANCIAL ACTIVITY FY 2020 (Pre-Residential & Commercial Reduction)							
	Category		FY 2020 1st Qtr	FY 2020 2nd Qtr	FY 2020 3rd Qtr	FY 2020 4th Qtr	Totals
			Actual	Actual	Projections	Projections	
<b>A.</b>							\$\$\$
1	<b>6 Mth Actual &amp; Base Case Forecast</b>	Total Revenues	\$ 13,867,490	\$ 11,169,179	\$ 19,629,182	\$ 19,535,658	\$ 64,201,510
2		Total Expenditures	\$ (10,672,214)	\$ (10,798,578)	\$ (18,804,280)	\$ (20,642,689)	\$ (60,917,761)
3		Operating Income	\$ 3,195,277	\$ 370,601	\$ 824,903	\$ (1,107,031)	\$ 3,283,749
<b>B.</b>							
4	<b>6 Mth Actual &amp; Revised Forecast</b>	Total Revenues	\$ 13,867,490	\$ 11,169,179	\$ 14,373,338	\$ 24,461,252	\$ 63,871,260
5		Total Expenditures	\$ (10,672,214)	\$ (10,798,578)	\$ (18,633,842)	\$ (18,059,384)	\$ (58,164,018)
6		Operating Income	\$ 3,195,277	\$ 370,601	\$ (4,260,504)	\$ 6,401,868	\$ 5,707,242

# 6+6 Forecast with 5% Reduction in Revenue

SUMMARY OF FINANCIAL ACTIVITY FY 2020 (5% Reduction)							
	Category		FY 2020 1st Qtr	FY 2020 2nd Qtr	FY 2020 3rd Qtr	FY 2020 4th Qtr	Totals
			Actual	Actual	Projections	Projections	
<b>A.</b>							\$\$\$
1	6 Mth Actual &	Total Revenues	\$ 13,867,490	\$ 11,169,179	\$ 19,629,182	\$ 19,535,658	\$ 64,201,510
2	Base Case Forecast	Total Expenditures	\$ (10,672,214)	\$ (10,798,578)	\$ (18,804,280)	\$ (20,642,689)	\$ (60,917,761)
3		Operating Income	\$ 3,195,277	\$ 370,601	\$ 824,903	\$ (1,107,031)	\$ 3,283,749
<b>B.</b>							
4	6 Mth Actual &	Total Revenues	\$ 13,867,490	\$ 11,169,179	\$ 13,685,563	\$ 23,538,936	\$ 62,261,168
5	Revised Forecast	Total Expenditures	\$ (10,672,214)	\$ (10,798,578)	\$ (18,633,842)	\$ (18,059,384)	\$ (58,164,018)
6		Operating Income	\$ 3,195,277	\$ 370,601	\$ (4,948,279)	\$ 5,479,552	\$ 4,097,150

# 6+6 Forecast with 10% Reduction in Revenue

SUMMARY OF FINANCIAL ACTIVITY FY 2020 (10% Reduction)							
	Category		FY 2020 1st Qtr	FY 2020 2nd Qtr	FY 2020 3rd Qtr	FY 2020 4th Qtr	Totals
			Actual	Actual	Projections	Projections	
A.							\$\$\$
1	6 Mth Actual &	Total Revenues	\$ 13,867,490	\$ 11,169,179	\$ 19,629,182	\$ 19,535,658	\$ 64,201,510
2	Base Case Forecast	Total Expenditures	\$ (10,672,214)	\$ (10,798,578)	\$ (18,804,280)	\$ (20,642,689)	\$ (60,917,761)
3		Operating Income	\$ 3,195,277	\$ 370,601	\$ 824,903	\$ (1,107,031)	\$ 3,283,749
B.							
4	6 Mth Actual &	Total Revenues	\$ 13,867,490	\$ 11,169,179	\$ 12,997,787	\$ 22,616,619	\$ 60,651,076
5	Revised Forecast	Total Expenditures	\$ (10,672,214)	\$ (10,798,578)	\$ (18,633,842)	\$ (18,059,384)	\$ (58,164,018)
6		Operating Income	\$ 3,195,277	\$ 370,601	\$ (5,636,055)	\$ 4,557,235	\$ 2,487,058

# 6+6 Forecast with 15% Reduction in Revenue

SUMMARY OF FINANCIAL ACTIVITY FY 2020 (15% Reduction)							
	Category		FY 2020 1st Qtr	FY 2020 2nd Qtr	FY 2020 3rd Qtr	FY 2020 4th Qtr	Totals
			Actual	Actual	Projections	Projections	
<b>A.</b>							\$\$\$
1	<b>6 Mth Actual &amp;</b>	Total Revenues	\$ 13,867,490	\$ 11,169,179	\$ 19,629,182	\$ 19,535,658	\$ 64,201,510
2	<b>Base Case Forecast</b>	Total Expenditures	\$ (10,672,214)	\$ (10,798,578)	\$ (18,804,280)	\$ (20,642,689)	\$ (60,917,761)
3		Operating Income	\$ 3,195,277	\$ 370,601	\$ 824,903	\$ (1,107,031)	\$ 3,283,749
<b>B.</b>							
4	<b>6 Mth Actual &amp;</b>	Total Revenues	\$ 13,867,490	\$ 11,169,179	\$ 12,310,012	\$ 21,694,303	\$ 59,040,984
5	<b>Revised Forecast</b>	Total Expenditures	\$ (10,672,214)	\$ (10,798,578)	\$ (18,633,842)	\$ (18,059,384)	\$ (58,164,018)
6		Operating Income	\$ 3,195,277	\$ 370,601	\$ (6,323,830)	\$ 3,634,919	\$ 876,966

# Customer Payment Methods

Payment TYPE						
	19-Oct	19-Nov	19-Dec	20-Jan	20-Feb	20-Mar
CREDIT CARDS	48%	44%	42%	46%	47%	43%
CHECKS	28%	28%	28%	26%	25%	26%
e-Checks	1%	6%	7%	8%	8%	8%
ACH (old)	12%	10%	11%	10%	10%	10%
AUTO PAY (new)	-	0%	1%	3%	4%	5%
CASH (local office)	11%	12%	10%	0%	0%	0%
CASH (PayNearMe)	<1%	0%	1%	7%	6%	8%
# of Transactions	29,790	24,641	30,503	29,398	26,720	30,620
Payment DETAIL						
	19-Oct	19-Nov	19-Dec	20-Jan	20-Feb	20-Mar
Online	34%	36%	33%	36%	36%	36%
By Mail	21%	20%	21%	21%	21%	20%
Walk-Ins	15%	17%	15%	0%	0%	0%
ACH (old)	12%	10%	11%	10%	10%	10%
Auto Pay (new)	-	0%	1%	3%	4%	5%
Drop Box	7%	7%	7%	8%	9%	9%
Local Office	0%	0%	0%	0%	0%	0%
Paymentus IVR	11%	10%	11%	15%	14%	12%
PayNearMe	0%	0%	1%	7%	6%	8%
# of Transactions	29,790	24,641	30,503	29,398	26,720	30,620
Walk-Ins						
	19-Oct	19-Nov	19-Dec	20-Jan	20-Feb	20-Mar
CASH	73%	70%	71%	0%	0%	0%
CREDIT CARD	25%	28%	26%	0%	0%	0%
CHECK	2%	2%	3%	0%	0%	0%
# of Transactions	4,407	4,123	4,300	0	0	0

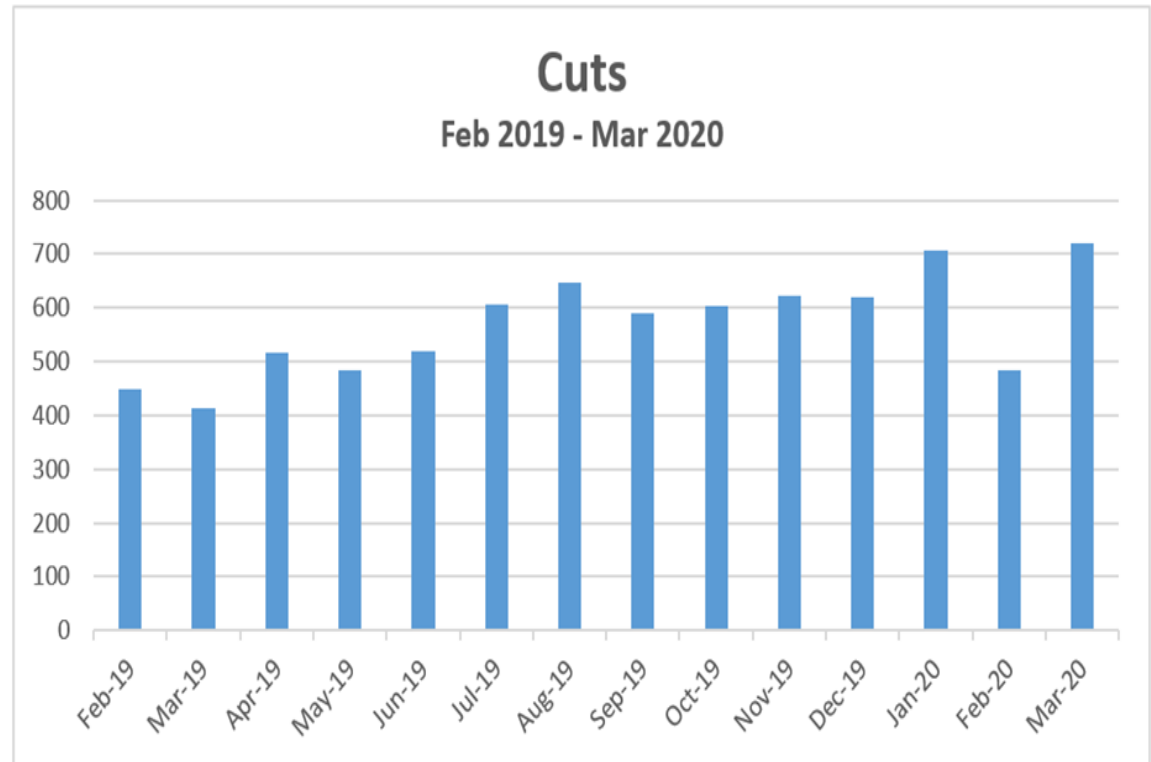


# Servicing Customers Continues via Email and Phone

DATE	NEW Service	FINAL Service
3/17/2020	19	14
3/18/2020	13	12
3/19/2020	22	10
3/20/2020	15	12
3/23/2020	16	21
3/24/2020	14	13
3/25/2020	21	21
3/26/2020	24	13
3/27/2020	24	6
3/30/2020	26	30
3/31/2020	36	36
4/1/2020	34	23
4/2/2020	19	16
4/3/2020	29	16
4/6/2020	20	14
4/7/2020	8	6
4/8/2020	23	16
4/9/2020	22	6
4/10/2020	19	4
4/13/2020	4	13
4/14/2020	13	13

# Account Cuts Over Prior 14 Months

<i>month</i>	<i># cuts</i>	<i>biz days</i>	<i>daily avg.</i>
Feb-19	450	19	24
Mar-19	413	21	20
Apr-19	517	22	24
May-19	484	23	21
Jun-19	518	20	26
Jul-19	606	22	28
Aug-19	648	22	29
Sep-19	589	20	29
Oct-19	604	23	26
Nov-19	622	19	33
Dec-19	620	20	31
Jan-20	707	22	32
Feb-20	484	19	25
Mar-20	721	22	33
<b>7983</b>	<b>294</b>	<b>27</b>	
<b>TOTAL CUTS</b>	<b>BIZ DAYS</b>	<b>DAILY AVG</b>	



# Cuts Waived -3/18-4/21

## Accounts that would have been CUT

# of Days	# of Accounts that would have been Cut	\$ Amount that would have been Cut	\$ Amount Paid	\$ Amount Remains Unpaid
19	2119	\$ 416,824	\$ 138,463	\$ 278,361

# County Assistance with Utility Bills

10	1403	457	3
TOTAL # of DAYS OVER WHICH CALLS HAVE BEEN MADE	TOTAL CALLS MADE	TOTAL NUMBER OF CUSTOMERS INTERESTED	TOTAL MOVED

- A total of 204 applications for assistance have been submitted to the County
  - 26 have been processed
  - 75 are currently being reviewed
  - the rest are pending additional documentation from clients
- Data includes requests for assistance with all utilities in Palm Beach County, not just Lake Worth Beach

# Bill Reductions Due to Decreasing Nat. Gas Prices; What are other Municipals doing?

Utility	Reduction	Timeframe
1. Bushnell	PCA reduction, approximately 8% overall savings	May-June
2. Clewiston	PCA reduction, approximately 10% overall savings	May-June
3. Green Cove Springs	Zero PCA fee, approximately 15% reduction	April
4. Homestead	PCA reduction, approximately 27% overall savings	May
5. JEA	\$27 million fuel credit, approx. \$25 per customer	May
6. Beaches Energy Services	Zero PCA fee, approximately 21% reduction	April
7. Key West	COVID-19 rate relief fund, approx. 10% reduction	May-June
8. Kissimmee	Fuel credit of \$8 million or 15% reduction	May-August
9. Lakeland	7% reduction for two months in addition to previously approved planned April reduction	May-June
10. Leesburg	Zero PCA fee, approximately 9% reduction	May-June
11. Mount Dora	PCC reduction of approximately 10%	April-Sept.
12. Orlando	\$7.5 million fuel credit, approx. 12% reduction	May
13. Winter Park	Zero PCA, savings of \$750,000 or approximately 20% overall reduction	May-June

# Lake Worth Beach's Options

- Our Power Supply costs are lower
  - Forecasted to be ~\$1.3 million below FY20 Budget
  - Savings inherent in the new OUC contract effective 1/1/2019
- Savings are being used to rebuild fund balances which were depleted in 2018
- Fund balance remains well below recommended minimums of 3 months operating expenses; likely less than the ~\$10.5 million recommended by Stantec
  - Actual Fund Balance is pending release of 2019 Audited Financials

# Stantec Statement from Financial Sustainability Analysis (Oct. 8, 2019)

*“Based upon our industry experience, effective utilities often target a minimum operating reserve in the range of 3 – 12 months of annual O&M expenses, depending on other reserve funds and practices, local economic conditions and other financial management policies and procedures.*

*For Lake Worth Beach, the FSA reflects a target minimum working capital (operating) reserve equal to 3 months of O&M expenses. This particular objective is generally not established as a strict minimum, as many factors could create circumstances under which a utility may elect to allow fund balances to fall below that target for a period of time.*

*With respect to the current Financial Sustainability Analysis, the Electric Fund’s working capital reserves are below the 3 months target.”*

# Next Steps

- Leidos was retained by the City to perform a cost of service study; work began in March 2020 with exchanges of data already underway
- Continue to monitor customer revenues to determine impacts on revenues.
  - Leading indicators tracked daily and weekly
  - Report trends to City Commission at monthly meeting
- Review FY2019 audited financials with adjustments for FY2020 using 6+6 forecast;
  - FY2019 audited financial anticipated by end of April 2020
- Continue to Bring items above to the City Commission's attention as available for discussion and policy determination



End.....Questions

