

RESOLUTION NO. 42-2024 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, ESTABLISHING A FIVE DOLLAR (\$5.00) STORM FUND SURCHARGE TO BE ASSESSED TO ALL ELECTRIC UTILITY CUSTOMERS EACH MONTH FOR EACH ELECTRIC UTILITY ACCOUNT TO ENHANCE THE CITY'S EMERGENCY PREPAREDNESS WITH A DEDICATED STORM FUND ACCOUNT BALANCE FOR SWIFT AND EFFECTIVE FINANCIAL RESPONSES TO STORM-RELATED DAMAGE; AND, PROVIDING FOR REPEAL OF CONFLICTS AND AN EFFECTIVE DATE

WHEREAS, the Electric Utility of the City of Lake Worth Beach desires to maintain rates competitive with other utilities and mitigate against potential and sudden increased costs to its customers for storm-related preparedness and damage to the City's Electric Utility infrastructure ("Storm Damage"); and

WHEREAS, in 2023, the City Commission through Resolution No. 52-2023 established an Electric Utility Storm Fund ("Storm Fund") to enhance the City's emergency preparedness by providing a dedicated financial mechanism for swift and effective responses to Storm Damage; and

WHEREAS, Resolution No. 52-2023 also transferred \$500,000 from the Electric Utility excess Power Cost Adjustment (PCA) revenues into the dedicated Storm Fund account; and

WHEREAS, the City Commission and the Electric Utility recognize that Storm Damage has in the past and will in the future likely exceed the current Storm Fund account balance of \$500,000; and

WHEREAS, at its August 2024 utility meeting, the City Commission reached a consensus that a surcharge for the Storm Fund ("Storm Fund Surcharge") should be billed to the City's Electric Utility customers in the amount of \$5.00 per month per electric utility account until such time as the Storm Fund balance reaches a satisfactory amount; and

WHEREAS, based on prior storm events such as Irma and Dorian, the Electric Utility staff has suggested achieving a Storm Fund balance of \$4 million; and,

WHEREAS, it is anticipated that the \$4 million desired level of Storm Fund balance can be achieved over an estimated period of twenty-four (24) months based on the current numbers of Electric Utility customers, anticipated customer growth, and interest on the Storm Fund balance; and

WHEREAS, once the Storm Fund balance reaches \$4 million, billing for the Storm Fund Surcharge will cease until such time as the City Commission determines that the Storm Fund balance needs to be increased and/or a new Storm Fund

Surcharge assessed; and

WHEREAS, the City Commission believes it is in the best interests of the customers of the City’s Electric Utility to increase the Storm Fund balance through a Storm Fund Surcharge assessed until the Storm Fund balance is \$4 million; and,

WHEREAS, the City Commission finds establishing this Resolution serves a valid public purpose.

NOW THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WORTH BEACH, FLORIDA, that:

Section 1. The foregoing recitals are adopted by reference as true and correct findings of the City Commission.

Section 2. The City hereby establishes a Storm Fund Surcharge to be billed to the City’s Electric Utility customers in the amount of \$5.00 per month per electric utility account until such time as the Storm Fund balance reaches \$4 million. Once the Storm Fund balance reaches \$4 million, the Storm Fund Surcharge shall cease to be charged. The Storm Fund Surcharge shall be in addition to all other rates, charges, and fees the City charges to its Electric Utility customers.

Section 3. All resolutions or parts of resolutions are hereby amended to the extent that they are in conflict with this Resolution.

Section 4. This Resolution shall become effective immediately upon passage and shall apply to all electric utility billing as of **December 1, 2024**.

The passage of this resolution was moved by Commissioner _____, seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

- Mayor Betty Resch
- Vice Mayor Christopher McVoy
- Commissioner Sarah Malega
- Commissioner Reinaldo Diaz
- Commissioner Mimi May

The Mayor thereupon declared this resolution duly passed and adopted on the 24th day of September 2024.

LAKE WORTH BEACH CITY COMMISSION

By: _____
Betty Resch, Mayor

ATTEST:

Melissa Ann Coyne, MMC, City Clerk