

City of Lake Worth Beach

Electric Fund Scenarios – FY24



Electric Fund Key Inputs / Assumptions



1. Analysis reflects results from FY22 and YTD estimates for FY23
 - FY22 revenue shortfall resulting in negative cash balance of \$3M
 - FY22 shortfall due to **significant run-up** in natural gas prices which led to a \$5.4M shortfall in PCA at end of FY22.
 - FY23 estimated surplus and positive cash balances of \$6.3M - Funding of stabilization reserve \$3M
2. Purchase power cost projections utilizing Staff's best estimates
 - Estimates provided as of July 2023
 - Represents ~ 49% of FY 2024 operating costs
3. Service enhancement & reliability improvements totaling \$34.1M to be funded in FY 2026 – FY 2028
 - Funded with Series 2026 proceeds
 - Annual debt service payments average \$2.1M
4. Modeling reflects new rate structure
 - Power Cost Adjustment (PCA) based on changes in purchased power



8.0% base rate adjustment
October 1, 2023

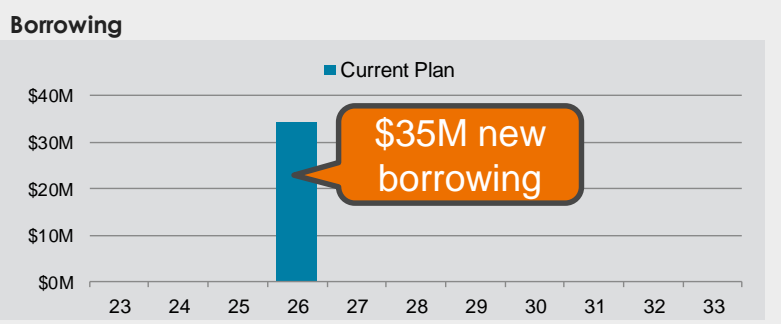
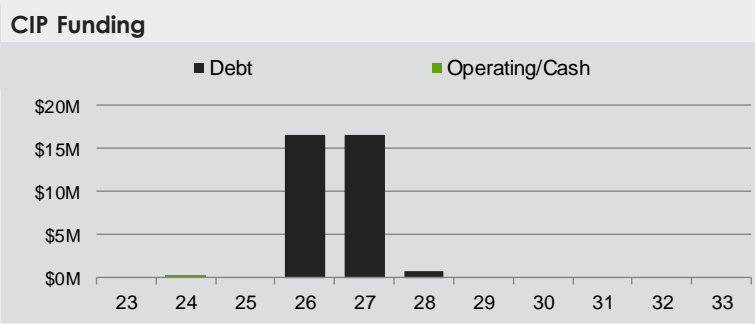
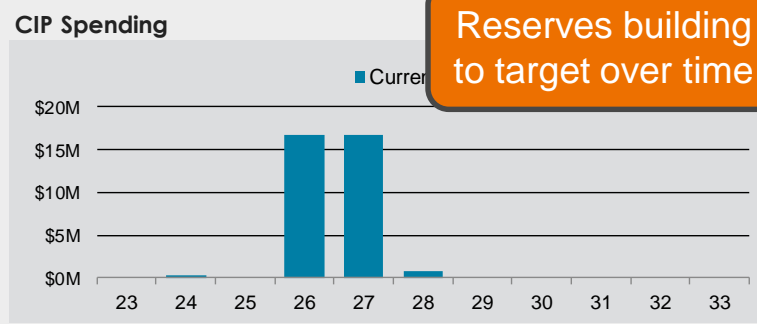
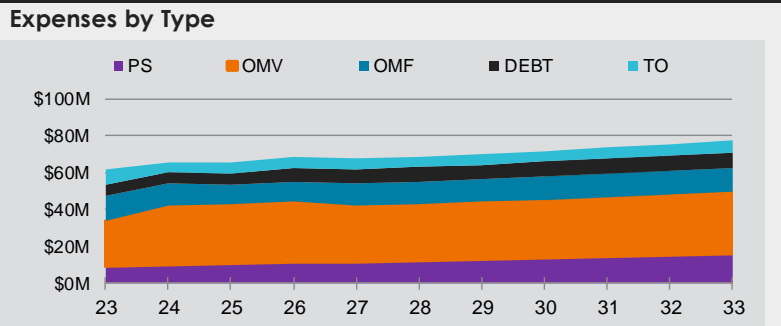
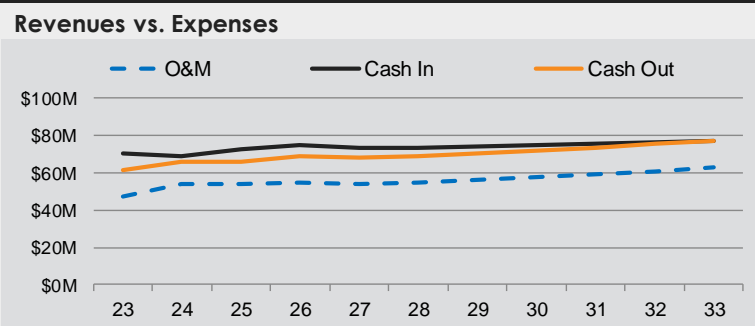
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2028	FY 2033
General Rate Plan	0.00%	8.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.36%	13.36%
Commercial Rate Plan	0.00%	8.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.41%	13.41%
Commercial Demand Rate Plan	0.00%	8.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
% Monthly Bill Impact	0.00%	5.74%	6.20%	3.00%	0.69%	0.71%	0.73%	0.75%	0.78%	0.87%	0.89%		
Residential Bill (1000 kWh)	\$110.88	\$117.24	\$124.51	\$128.25	\$129.13	\$130.04	\$130.99	\$131.98	\$133.00	\$134.16	\$135.36		
Senior-Lien DSC	3.65	2.39	3.13	2.60	2.40	2.28	2.20	2.11	2.01	1.90	1.79		
Combined System DSC	3.14	2.34	2.77	2.36	2.17	2.00	1.88	1.78	1.67	1.57	1.49		
Combined System Reserve (Days)	126	130	167	193	219	232	237	237	230	219	202		
PCA Rate Plan			8.88%	10.27%	2.20%	2.23%	2.27%	2.30%	2.33%	2.58%	2.60%		
Franchise Fee % of Revenue	8.00%	7.25%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%		
Stabilization Fund (\$ M)	3.00												
Net Cash Flow (\$ M)	6.30	2.82	7.68	6.24	5.60	4.68	3.93	3.12	2.25	1.29	0.28		

\$6.36 per Month Increase

Positive Cashflow
\$6.3M FY 2023

PCA based on annual power costs

ELECTRIC FUND





Scenario 1: No Increases, Add back 3 positions in FY24 of \$392K

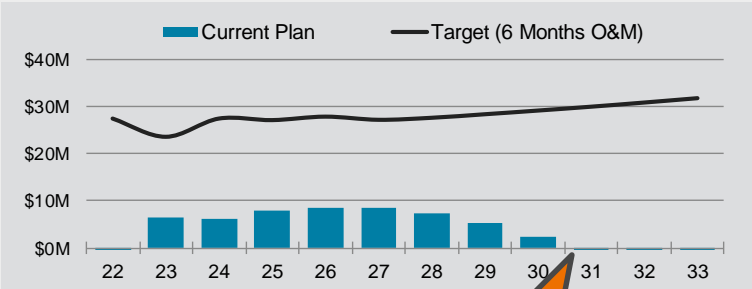
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2028	FY 2033
Residential Rate Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial Rate Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial Demand Rate Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
% Monthly Bill Impact	0.00%	0.00%	2.68%	3.28%	0.75%	0.77%	0.80%	0.82%	0.84%	0.95%	0.97%		
Residential Bill (1000 kWh)	\$110.88	\$110.88	\$113.85	\$117.59	\$118.47	\$119.39	\$120.34	\$121.32	\$122.35	\$123.50	\$124.70		
Senior-Lien DSC	3.65	1.81	2.16	1.81	1.65	1.52	1.43	1.32	1.20	1.09	0.97		
Commercial System DSC	3.14	1.93	2.15	1.84	1.69	1.52	1.42	1.32	1.22	1.13	1.05		
Combined System Reserve (Days)	126	112	124	125	125	114	97	75	48	18	-16		
PCA Rate Plan			8.88%	10.27%	2.20%	2.23%	2.27%	2.30%	2.33%	2.58%	2.60%		
Franchise Fee % of Revenue	8.00%	7.25%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%		
Stabilization Fund (\$ M)	3.00												
Net Cash Flow (\$ M)	6.30	(0.78)	2.21	0.66	(0.09)	(1.12)	(1.98)	(2.91)	(3.91)	(4.92)	(5.98)		

Addition positions back FY24 \$392k

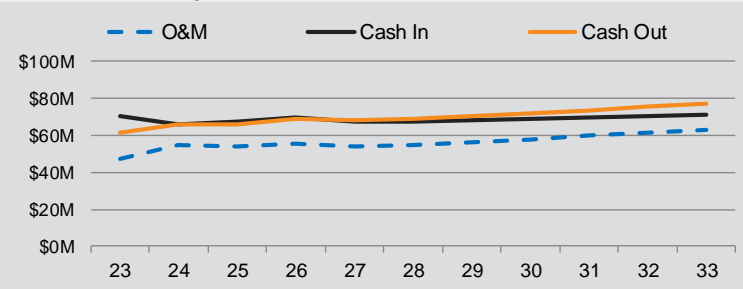
Difficulty in securing new bonds

Scenario Mand	
FY24 Addition	\$392,000
FY25 Addition	\$0
Capitalize Labor	Yes

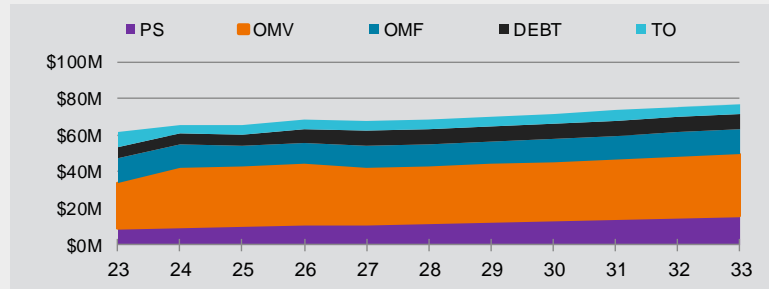
Working Capital Fund



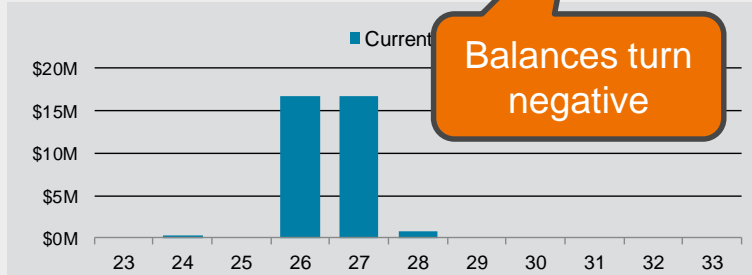
Revenues vs. Expenses



Expenses by Type

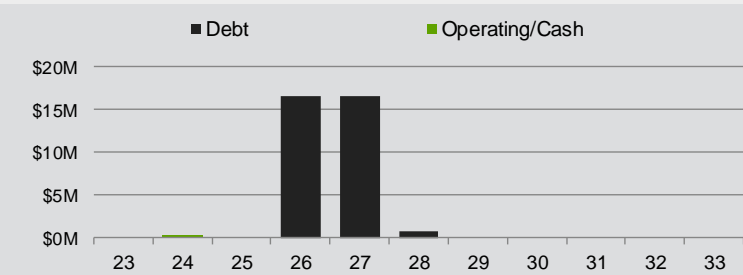


CIP Spending

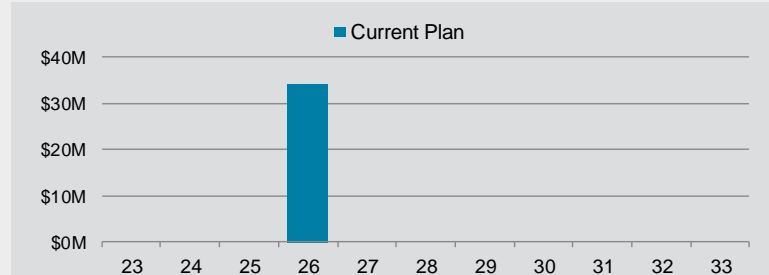


Balances turn negative

CIP Funding



Borrowing





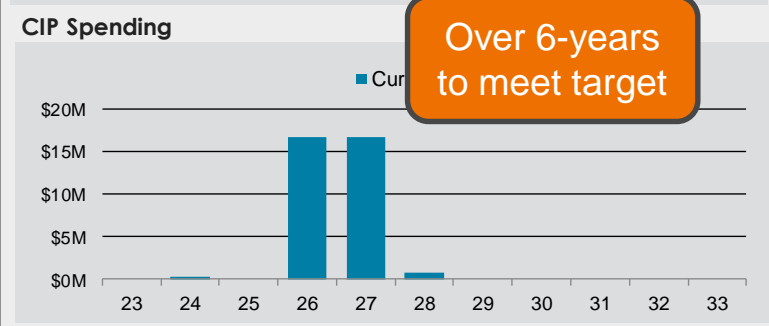
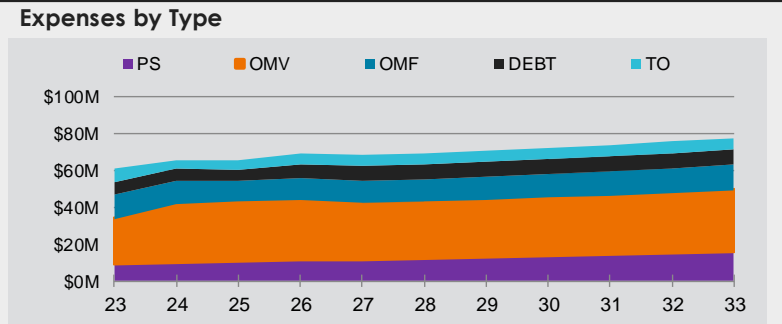
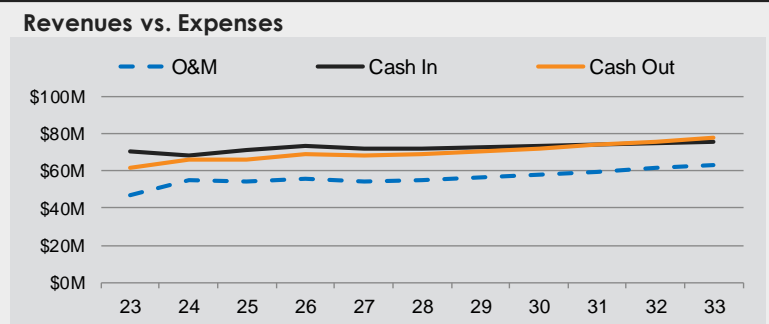
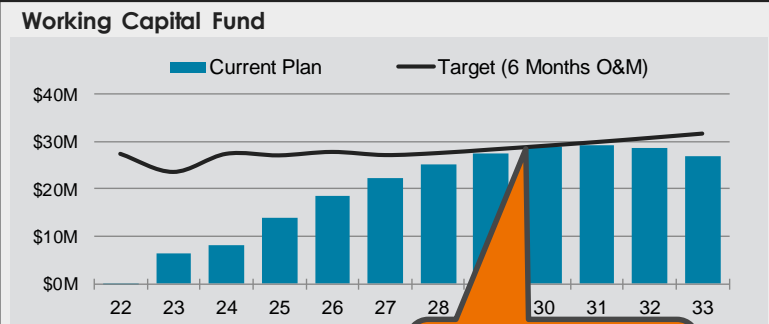
Scenario 2: 5% Base increase FY24 and FY25, Add back 3 positions in FY24 of \$392K

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2028	FY 2033
Residential Rate Plan	0.00%	5.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.24%	10.24%
Commercial Rate Plan	0.00%	5.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.24%	10.24%
Commercial Demand Rate Plan	0.00%	5.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
% Monthly Bill Impact	0.00%	3.59%	6.22%	3.07%	0.70%	0.72%	0.74%	0.77%	0.79%	0.89%	0.91%		
Residential Bill (1000 kWh)	\$110.88	\$114.86	\$122.00	\$125.74	\$126.62	\$127.54	\$128.49	\$129.48	\$130.50	\$131.65	\$132.85		
Senior-Lien DSC	3.65	2.13	2.85	2.37	2.18	2.06	1.98	1.88	1.78	1.66	1.54		
Combined System DSC	3.14	2.16	2.59	2.21	2.03	1.86	1.75	1.65	1.54	1.44	1.36		
Combined System Reserve (Days)	126	122	151	170	189	194	193	186	174	157	135		
PCA Rate Plan			8.88%	10.27%	2.20%	2.23%	2.27%	2.30%	2.33%	2.58%	2.60%		
Franchise Fee % of Revenue	8.00%	7.25%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%		
Stabilization Fund (\$ M)	3.00												
Net Cash Flow (\$ M)	6.30	1.24	6.09	4.61	3.93	2.97	2.19	1.34	0.42	(0.57)	(1.63)		

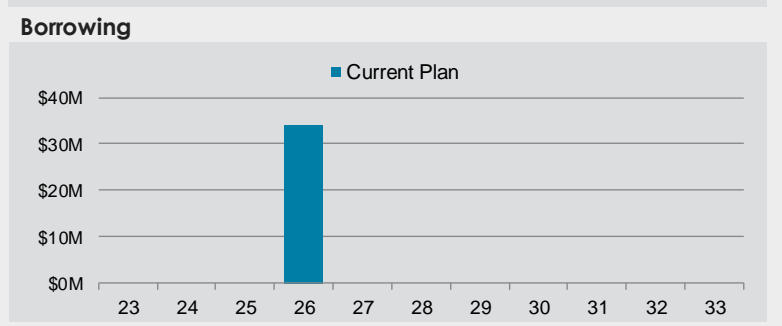
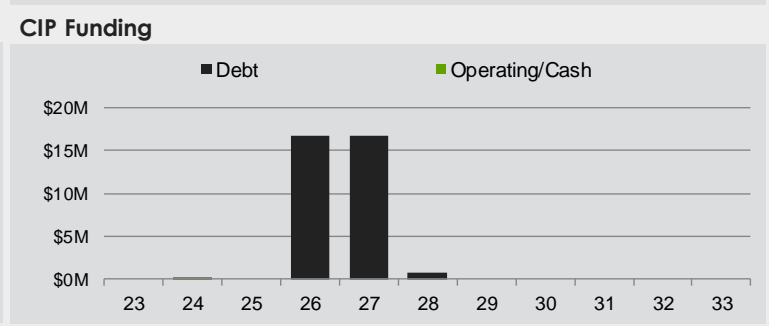
\$4 per Month Increase

Addition positions back FY24 \$392k

Scenario Management	
FY24 Addition	\$392,000
FY25 Addition	\$0
Capitalize Labor	Yes



Over 6-years to meet target





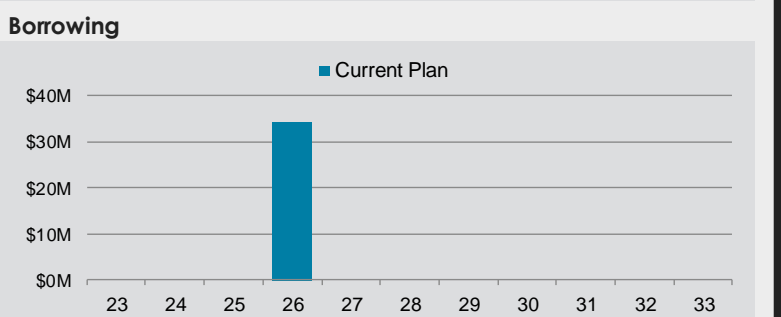
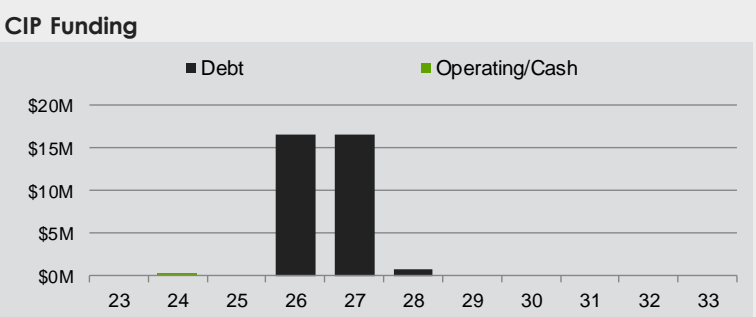
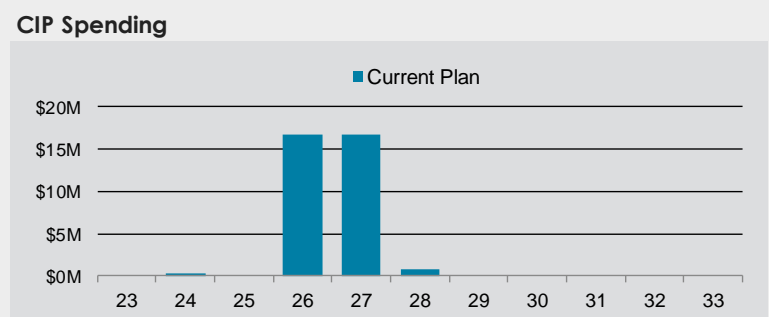
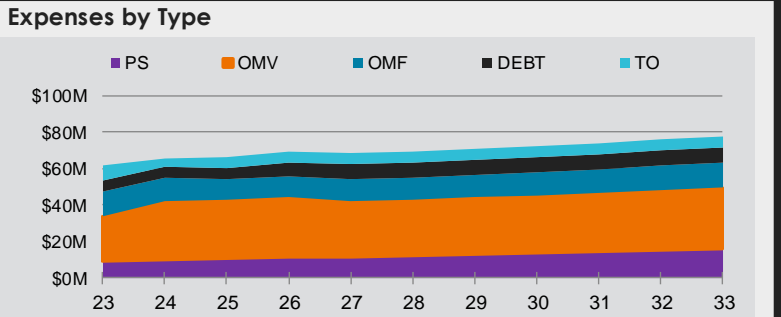
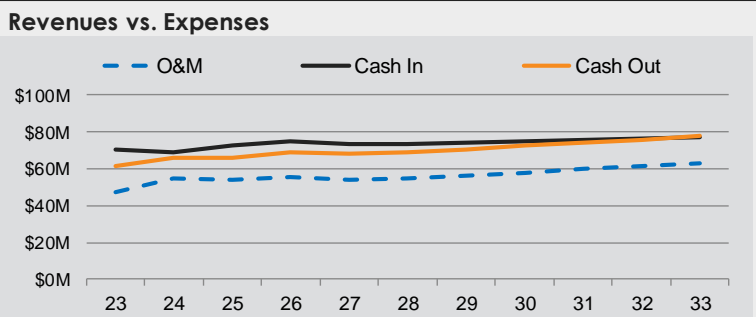
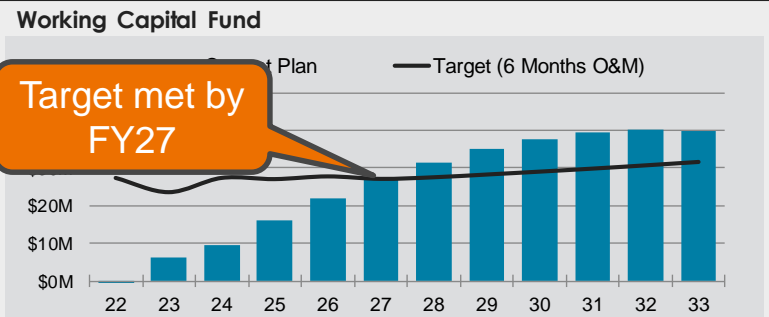
Scenario 3: 8% Base increase FY24 and 5% FY25, Add back 3 positions in FY24 of \$392K

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2028	FY 2033
Residential Rate Plan	0.00%	8.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.36%	13.36%
Commercial Rate Plan	0.00%	8.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.41%	13.41%
Commercial Demand Rate Plan	0.00%	8.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
% Monthly Bill Impact	0.00%	5.74%	6.20%	3.00%	0.69%	0.71%	0.73%	0.75%	0.78%	0.87%	0.89%		
Residential Bill (1000 kWh)	\$110.88	\$117.24	\$124.51	\$128.25	\$129.13	\$130.04	\$130.99	\$131.98	\$133.00	\$134.16	\$135.36		
Senior-Lien DSC	3.65	2.33	3.07	2.55	2.34	2.23	2.15	2.05	1.95	1.84	1.73		
Combined System DSC	3.14	2.30	2.73	2.32	2.14	1.96	1.85	1.75	1.64	1.54	1.45		
Combined System Reserve (Days)	126	128	163	187	211	222	225	223	215	202	184		
PCA Rate Plan			8.88%	10.27%	2.20%	2.23%	2.27%	2.30%	2.33%	2.58%	2.60%		
Franchise Fee % of Revenue	8.00%	7.25%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%		
Stabilization Fund (\$ M)	3.00												
Net Cash Flow (\$ M)	6.30	2.45	7.29	5.83	5.18	4.24	3.48	2.65	1.76	0.79	(0.24)		

\$6.36 per Month Increase

Addition positions back FY24 \$392k

Scenario Management	
FY24 Addition	\$392,000
FY25 Addition	\$0
Capitalize Labor	Yes





Scenario 4: 8% Base FY24 and Stepdown with \$3.5M in FY25 and Add Storm Fund

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2028	FY 2033
Residential Rate Plan	0.00%	8.00%	6.50%	4.50%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.22%	23.22%
Commercial Rate Plan	0.00%	8.00%	6.50%	4.50%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.18%	23.18%
Commercial Demand Rate Plan	0.00%	8.00%	6.50%	4.50%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
% Monthly Bill Impact	0.00%	5.74%	7.30%	6.25%	2.45%	0.67%	0.69%	0.71%	0.73%	0.82%	0.84%		
Residential Bill (1000 kWh)	\$110.88	\$117.24	\$125.79	\$133.65	\$136.93	\$137.85	\$138.80	\$139.78	\$140.80	\$141.96	\$143.16		
Senior-Lien DSC	3.65	2.33	2.69	2.51	2.45	2.33	2.24	2.14	2.03	1.92	1.79		
Combined System DSC	3.14	2.30	2.49	2.30	2.21	2.03	1.90	1.80	1.68	1.58	1.49		
Combined System Reserve (Days)	126	128	146	167	193	206	211	211	205	193	177		
PCA Rate Plan			8.88%	10.27%	2.20%	2.23%	2.27%	2.30%	2.33%	2.58%	2.60%		
Franchise Fee % of Revenue	8.00%	7.25%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%		
Stabilization Fund (\$ M)	3.00												
Storm Fund (\$ M)		1.00	1.00	1.00									
Net Cash Flow (\$ M)	6.30	1.45	3.93	4.33	5.74	4.75	3.93	3.05	2.09	1.06	(0.04)		

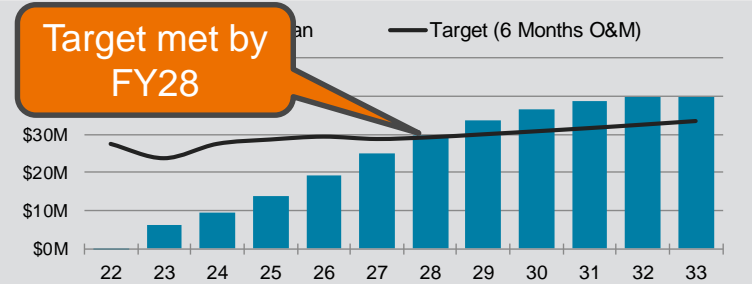
\$6.36 per Month Increase

Add back all cuts by FY25

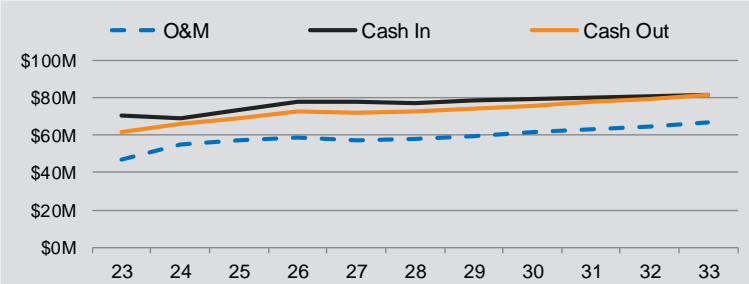
Build up Storm Fund

Scenario Mandates	
FY24 Addition	\$392,000
FY25 Addition	\$3,100,000
Capitalize Labor	Yes

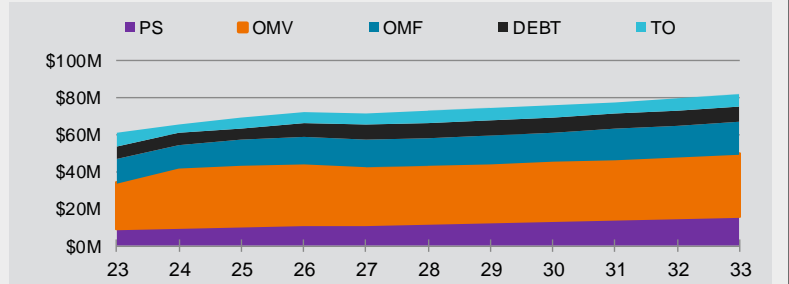
Working Capital Fund



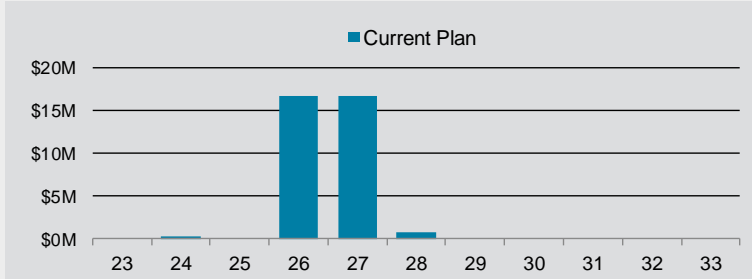
Revenues vs. Expenses



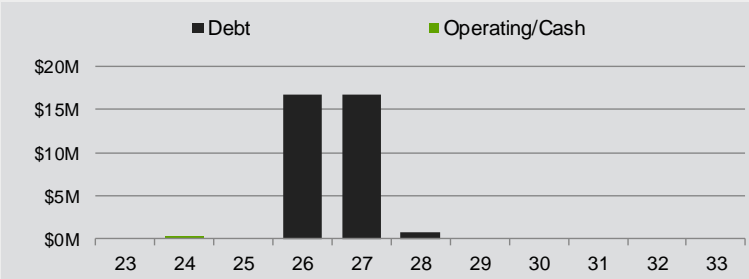
Expenses by Type



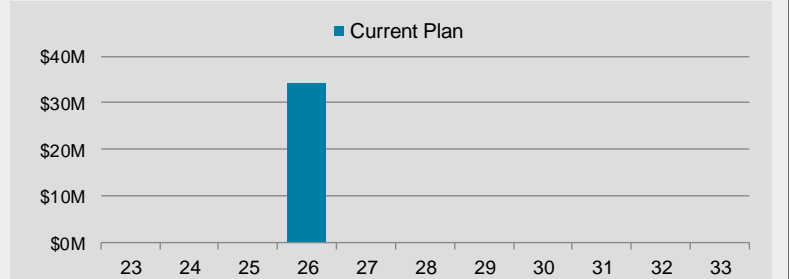
CIP Spending



CIP Funding

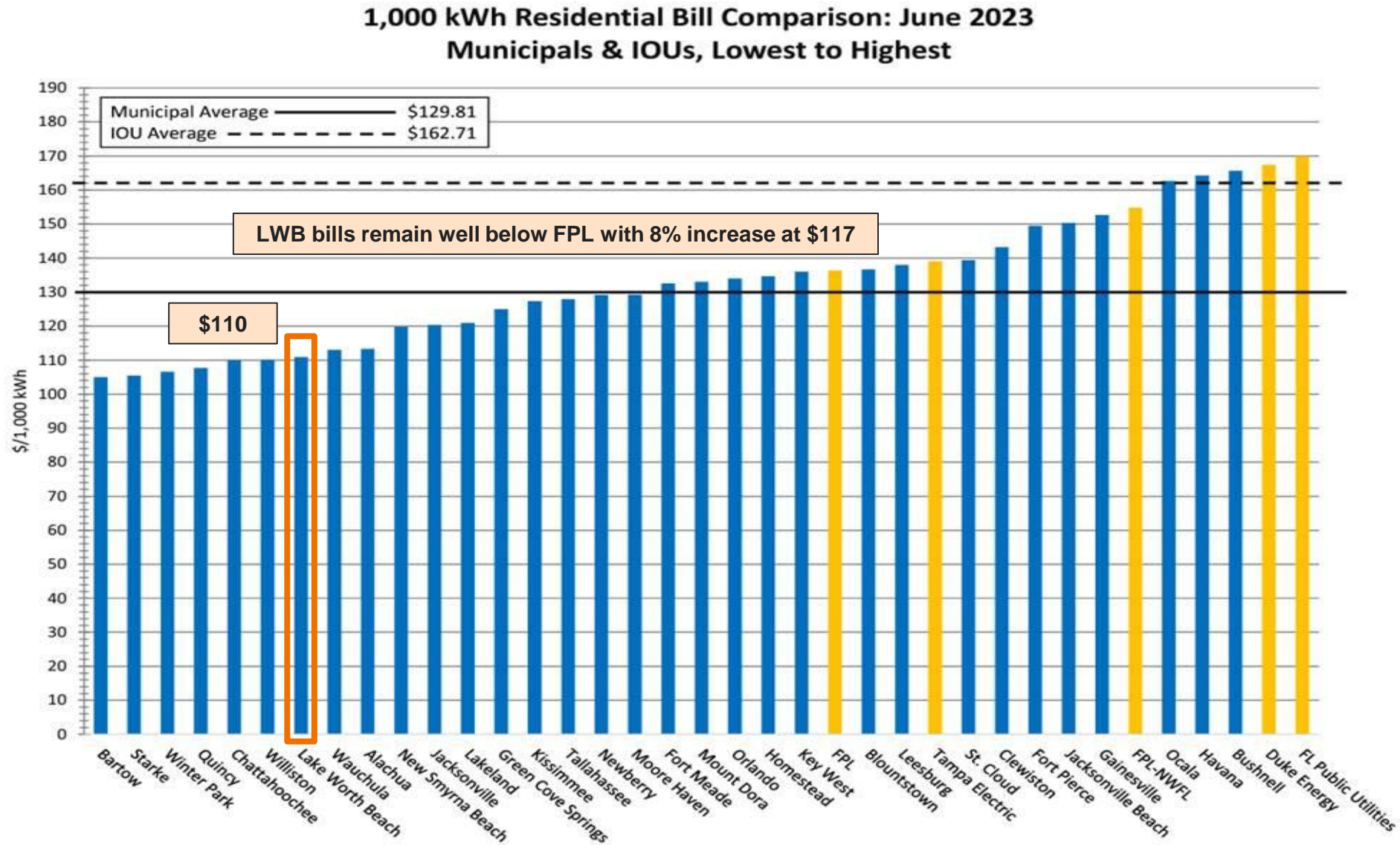


Borrowing





FY23 Monthly Residential Bill Comparison @ 1,000 kWh





FY23 Monthly Residential Bill Comparison @ 1,200 kWh

