

RESOLUTION NO. 31-2023 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, ESTABLISHING A RATE STABILIZATION FUND TO STABILIZE ELECTRIC UTILITY RATES FROM SUDDEN FLUCTUATIONS; AUTHORIZING THE TRANSFER OF EXCESS POWER COST ADJUSTMENT REVENUES TO THE RATE STABILIZATION FUND; SETTING GENERAL GUIDELINES FOR THE RATE STABILIZATION FUND; 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, mitigate against potential increased costs of purchased power, and provide rate stability for the customers of the Electric Utility; and

WHEREAS, due to sudden increases in the costs of natural gas in 2022-2023 and other factors impacting the City's power costs, the City is in need of a fund to assist in stabilizing the rates paid by the Electric Utility customers, which fund can assist in reducing the impact of sudden changes in the City's power costs; and

WHEREAS, consistent with the desires of the Electric Utility Department, the Financial Services Department, and the City Commission, the City seeks to establish an Electric Utility Rate Stabilization Fund; and

WHEREAS, the City Commission finds establishing a Rate Stabilization Funds 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 City hereby establishes a Rate Stabilization Fund ("The Fund") for the purpose of maintaining rate competitiveness and rate stability by mitigating cost increases due to fluctuations in power costs or other emergencies that would otherwise be passed along to the customers of the Electric Utility.

Section 2. The City Commission authorizes the transfer of \$2,500,000 from the Electric Utility's excess Power Cost Adjustment (PCA) revenues as of August 2023 into The Fund.

Section 3. The City Commission shall have the sole authority to direct the deposit or withdrawal of funds from The Fund. The Fund shall be administered by the Electric Utility and Financial Services Department. The general guidelines for The Fund are as follows:

1. The Fund shall not be used for any purpose except for mitigating cost increases due to fluctuations in power costs or other electric utility emergencies that would otherwise be passed along to the customers in the form of a sudden electric utility rate increase.

2. Subject to the ultimate approval of the City Commission, the Electric Utility and Financial Services Department will propose to appropriate each year from the electric fund an amount of not less than 10% of the expected annual PCA expense or an amount not greater than 25% of the expected annual PCA expense to The Fund.
3. If during a fiscal year, The Fund falls to an amount less than 10% of the annual PCA expense, the City Commission shall consider increasing the electric utility rates to increase the amount in The Fund. If during a fiscal year, The Fund increases to an amount of more than 25% of the annual PCA expense, the City Commission shall consider reducing electric utility rates to decrease the amount in The Fund.
4. On at least a quarterly basis, the Electric Utility in conjunction with the Financial Services Department shall provide a status of The Fund to the City Commission and a recommendation regarding any proposed changes to The Fund.

Section 4. All resolutions or parts of resolutions are hereby amended to the extent that they are in conflict with this Resolution.


Section 5. This Resolution shall become effective immediately upon passage.

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

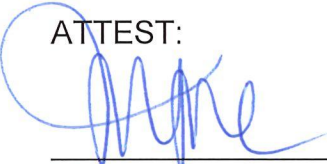
Mayor Betty Resch	AYE
Vice Mayor Christopher McVoy	AYE
Commissioner Sarah Malega	AYE
Commissioner Kimberly Stokes	AYE
Commissioner Reinaldo Diaz	AYE

The Mayor thereupon declared this resolution duly passed and adopted on the 26th day of September 2023.

LAKE WORTH BEACH CITY COMMISSION

By: 
Betty Resch, Mayor

ATTEST:


Melissa Ann Coyne, MMC, City Clerk

