

RESOLUTION NO. 10-2024 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, REVISING RESOLUTION 31-2023, WHICH ESTABLISHED A RATE STABILIZATION FUND, AUTHORIZED AN INITIAL TRANSFER, AND SET GENERAL GUIDELINES FOR THE RATE STABILIZATION FUND, TO SET FORTH ADDITIONAL STANDARDS AND GUIDELINES FOR THE RATE STABILIZATION FUND AND RELATED ELECTRIC UTILITY OPERATIONS ACCOUNT; 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, the City set forth the current electric utility rates and charges in Resolution No. 92-2021, which includes a variable rate to be charged to each customer for the City's purchased power costs entitled the "Purchased Power Adjustment" ("PCA") as further defined in Resolution No. 92-2021; and

WHEREAS, Resolution No. 92-2021 also set forth a calculation for the PCA based on a projected three (3) month period inclusive of the projected purchased power costs, a true-up of recovery of the PCA from the prior three (3) month period, and any amounts transferred from the Rate Stabilization Fund; 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 Commission in Resolution No. 31-2023 created the Rate Stabilization Fund ("The Fund"); authorized the transfer of excess PCA charges received from customers to the Fund; and, set general guidelines for the Fund; and

WHEREAS, the Electric Utility deposits all excess revenue from its customers into its Electric Utility operations account ("The Account"), which account includes excess revenue received from customers when the PCA charged exceeds the City's actual purchased power costs; and

WHEREAS, the City desires to revise Resolution No. 31-2023 to set forth additional standards and guidelines for The Fund as it relates to excess PCA revenue which may be in the Account; 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 incorporated into this Resolution as true and correct findings of the City Commission.

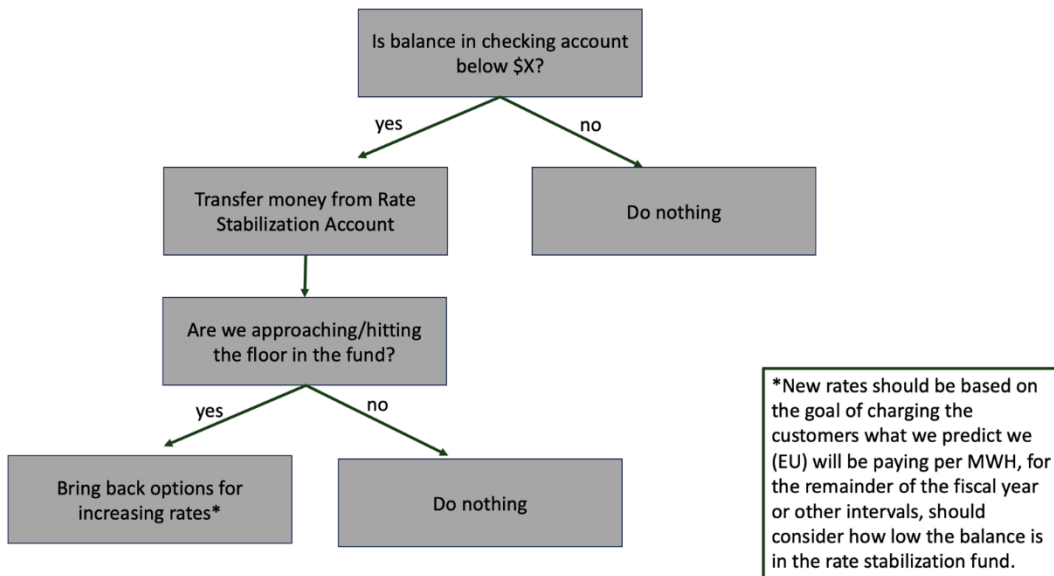
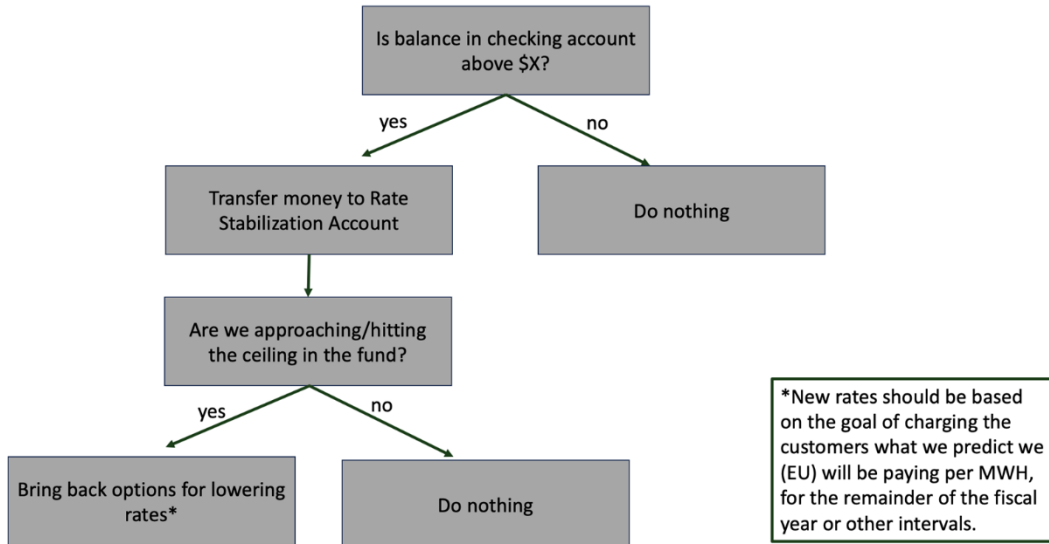
Section 2. Section 3 of Resolution No. 31-2023 is hereby amended to read as follows: The City Commission shall have the sole authority to direct the deposit or withdrawal of funds

from The Fund. The Fund shall be administered by the Electric Utility and Financial Services Department. As directed in each fiscal year budget, the Electric Utility and Financial Services Department shall administer The Account. However, since funds in The Account are derived from PCA revenues which may exceed the City’s actual purchased power costs, The Account and The Fund shall be considered together when making decisions with regards to the PCA and The Fund. Accordingly, 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 to The Fund each year an amount of not less than 10% of the expected annual purchased power costs or an amount not greater than 25% of the expected annual purchased power costs.
3. If during a fiscal year, The Fund falls to an amount less than 10% of the expected annual purchased power costs, the City Commission shall consider increasing the PCA charge to increase the amount in The Fund. If during a fiscal year, The Fund increases to an amount of more than 25% of the expected annual purchased power costs, the City Commission shall consider reducing the PCA to decrease the amount in The Fund.
4. Prior to increasing or decreasing the PCA, the City Commission will consider the status of The Account. The City Commission’s desired target for the Account is \$ (“The Account Target”).
5. On at least a quarterly basis, the Electric Utility in conjunction with the Financial Services Department shall provide a status of The Fund and The Account to the City Commission and a recommendation regarding any proposed changes to The Fund and/or The Account (as it relates to The Fund).
6. For consistency, the Electric Utility’s and Financial Services Department’s status of The Fund and The Account shall be presented as follows:

	Quarter No. _____	
1.	Actual Purchased Power Costs (\$)	
2.	Actual Revenues Received (\$)	
3.	Difference in The Account (Line 2 – Line 1) (\$)	
4.	Prior Balance of The Account (\$)	
5.	Total excess/deficiency in The Account (Line 3 + Line 4) (\$)	
6.	The Account Target (from above) (\$)	
7.	Proposed Transfer (\$) (Line 5 +/- Line 6)	
	The Rate Stabilization Fund (The Fund)	
8.	Current Balance of The Fund	
9.	Amount transferred to/from The Fund (Line 7) (\$)	
10.	New Total of The Fund (Line 8 + Line 9)	
	The Fund Minimum	500,000
	The Fund Maximum	3,500,000

Further, in considering the recommendation of the Electric Utility and the Financial Services Department, the following flow charts are provided to assist in the City Commission’s decision (The Account is referred to as the “checking account”; “\$X” is The Account Target; and, “rates” are the PCA charged):



Finally, in determining any changes to the PCA charged the City’s customers (the rates in the flow charts above), the City’s projections shall be utilized and provided in the following format:

Projections				
	Q2	Q3	Q4	Q2-Q4
A: Projected Power Costs (\$)	2,508,142	3,195,733	4,895,682	10,599,557
D: Projected Retail Sales (MWH)	100,192	108,296	134,442	342,930
Projected Cost/MWH (A/D)	25.03	29.51	36.41	30.91
No change in rate	31.33	31.33	31.33	31.33
Projected difference	630,873	197,181	-683,614	144439.9

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 _____, seconded by _____, and upon being put to a vote, the vote was as follows:

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

The Mayor thereupon declared this resolution duly passed and adopted on this _____ day of _____, 2024.

LAKE WORTH BEACH CITY COMMISSION

By: _____
Betty Resch, Mayor

ATTEST:

Melissa Ann Coyne, MMC, City Clerk