

Present:

COMMISSIONERS:

Linda Landman Gonzalez, President
Phillip Brown, First Vice President
Bridget Williams, Second Vice President
Buddy Dyer, Mayor

Clint Bullock, General Manager & Chief Executive Officer
Attila Miszti, Chief Operating Officer
Christopher McCullion, Chief Financial Officer
Linda Ferrone, Chief Customer & Marketing Officer
Michael Murtagh, Chief Transformation & Technology Officer
Carlos Woody, Chief Legal Officer
Luz Aviles, LeMoyne Adams, Jenise Osani, Orlando Alancastro, & Jaison Busby, Vice Presidents
Frances Johnson, Recording Secretary

The May 12, 2026 Commission Meeting was held in person at the Orlando Utilities Commission's Reliable Plaza Commission Chambers.

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President Landman Gonzalez asked Ryan Green to provide the Safety and Security protocols for the meeting.

Moment of Reflection

President Landman Gonzalez asked Gianna Hernandez to provide the moment of reflection.

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Pledge of Allegiance

President Landman Gonzalez asked Chad Brinkman to lead the Pledge of Allegiance to the Flag.

* * *

Call to Order

The Commission Meeting was called to order at 2:05 P.M. President Landman Gonzalez noted that Commissioner Gross was not in attendance, acknowledging a quorum was present.

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Consideration of the Minutes

MOTION: On a motion by Mayor Dyer, seconded by Commissioner Brown and unanimously carried, the reading of the April 7, 2026 Commission Meeting minutes was waived, and the minutes were approved.

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Service Awards

LeMoyne Adams presented 20-year service awards to James Applewhaite, Senior Engineering Associate; Leonel Dominguez, Water Coordinator; and Jose Roman, Water Technician I.

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Affirmative Items

Mr. Bullock asked Brad Jewell to present on Affirmative Items A-3, A-4, A-5, and A-6 related to various Lake Highland Water Treatment Plant Improvements. Mr. Jewell provided a detailed overview of OUC's water system. He provided a brief history of the Lake Highland Water Treatment Plant, describing its current situation and challenges. He highlighted necessary improvements being presented for approval and explained the resulting project benefits. Mayor Dyer inquired about the number of wells OUC currently has in operations specific to the Lake Highland Water Treatment Plant and their depths. Mr. Jewell explained that there are six active wells supporting the Lake Highland Water Treatment Plant in the Lower Floridan Aquifer, each approximately 1,500 feet deep. He added that during OUC's peak season, four wells are required to meet capacity and redundancy is necessary. Refer to the Appendix for additional information.

* * *

President Landman Gonzalez presented the affirmative items for Approval.

MOTION: On a motion by Mayor Dyer and seconded by Commissioner Brown, Affirmative Items A-1 through A-23 were approved as follows:

1. Ratification of the fuel procurements to the most responsive and responsible bidders in January 2026 in the aggregate amount of \$29,212,335.98 as follows:

NATURAL GAS PURCHASES ⁽¹⁾:

January 2026	ConocoPhillips	\$ 231,588.85
January 2026	DTE	\$ 415,650.00
January 2026	EDF Trading	\$ 4,977,054.31
January 2026	Florida Gas Utility	\$ 763,175.71
January 2026	Florida Power & Light	\$ 451,811.00
January 2026	Gas South	\$ 407,000.00
January 2026	Koch	\$ 1,255,571.64
January 2026	Lakeland	\$ 370,824.09
January 2026	Municipal Gas Authority of Georgia	\$ 7,884,380.56
January 2026	Rainbow Energy Marketing	\$ 290,000.00
January 2026	Seminole Electric Cooperative	\$ 1,416,250.01
January 2026	Spotlight	\$ 2,029,448.00
January 2026	Tenaska Gas Storage	\$ 2,280,170.00
January 2026	The Energy Authority	\$ 654,000.00

COAL PURCHASES:

January 2026	Crimson Coal Corporation	\$ 4,146,938.06
January 2026	Foresight Coal Sales, LLC	\$ 1,060,755.51

RED DYED DIESEL OIL PURCHASES:

January 2026	Tropic Oil Co.	\$ 577,718.24
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2. Approval of a Capital Expenditure Estimate for the Stanton Energy Center Unit 2 Distributed Control Systems Upgrade Project in the amount of \$689,200. Approval of a sole source Purchase Order to Vendor No. 100000 to provide labor and equipment in the amount of \$680,000;
3. Approval of Change Request No. 2 to the Capital Expenditure Estimate in the amount of \$17,262,051 for the Lake Highland Water Treatment Plant Electrical Reliability Project, increasing the total project cost to \$18,459,497. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Wharton-Smith, Inc. in the amount of \$10,438,187 to provide Construction Manager at Risk services, increasing the total Purchase Order amount to \$10,487,742. Approval of a Purchase Order to Cummins Inc. for owner direct purchase of a backup emergency generator in the amount of \$1,536,700. Approval of a Purchase Order to Graybar Electric Company, Inc. for owner direct purchase of electrical equipment in the amount of \$4,965,564;
4. Approval of Change Request No. 2 to the Capital Expenditure Estimate in the amount of \$1,368,933 for the Lake Highland Water Treatment Plant Bulk Sodium Hypochlorite Conversion Project, increasing the total project cost to \$1,722,982. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Wharton Smith Inc. in the amount of \$1,291,733 to provide Construction Manager at Risk services, increasing the total Purchase Order amount to \$1,324,607;
5. Approval of Change Request No. 2 to the Capital Expenditure Estimate in the amount of \$72,343,195 for the Lake Highland Water Treatment Plant Granular Activated Carbon Treatment System Project, increasing the total project cost to \$74,204,092.10. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Wharton Smith Inc. in the amount of \$61,353,667 to provide Construction Manager at Risk services, increasing the total Purchase Order amount to \$61,427,717. Approval of a sole source Purchase Order to Calgon Carbon Corporation for owner direct purchase of Granular Activated Carbon processing equipment and carbon media in the amount of \$9,233,413. Approval of a Purchase Order to Barney's Pumps Inc for owner direct purchase of Granular Activated Carbon vertical turbine pumps and accessories in the amount of \$1,312,915;
6. Approval of Change Request No. 2 to the Capital Expenditure Estimate in the amount of \$14,611,395 for the Lake Highland Water Treatment Plant Ozone Generator Replacement Project, increasing the total project cost to \$20,860,622.65. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Wharton Smith Inc. in the amount of \$13,065,808 to provide Construction Manager at Risk services, increasing the total Purchase Order amount to \$13,139,865. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Veolia Water Technologies Treatment Solutions USA, Inc. in the amount of \$1,133,500 for owner direct purchase of the supply ozone destruct equipment, increasing the total Purchase Order amount to \$6,255,733. Approval of a Purchase Order to Barney's Pumps Inc for owner direct purchase of three vertical turbine open loop cooling water pumps in the amount of \$240,487;
7. Approval of a Purchase Order to Wharton Smith Inc. to provide Construction Manager at Risk services for the Southwest Water Treatment Plant bulk sodium hypochlorite system in the amount of \$1,827,712;
8. Approval of a Capital Expenditure Estimate for the Southwest Water Treatment Plant Emergency Generator Replacement Project in the amount of \$2,509,472. Approval of a Purchase Order to Wharton-Smith, Inc. to provide Construction Manager at Risk services in the amount of \$869,588. Approval of a Purchase Order to Cummins Inc. for owner direct purchase of a 2,250-kW emergency generator in the amount of \$1,536,700;
9. Approval of the Capital Expenditure Estimate for the installation of the underground electric distribution system to serve the Cross Prairie Subdivision - Edgewater Development 3 Phase 2 in the amount of \$571,419.94, with a customer contribution in the amount of \$246,509;



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10. Authorization for the General Manager & CEO to execute the Joint Participation Agreement Task Order No. 2 with the City of Orlando for additional construction costs for the Sligh Boulevard and Columbia Street Water and Electric Distribution Improvements Project. Approval of Change Request No. 3 to the Water Capital Expenditure Estimate in the amount of \$811,473.39 for construction services, inspection, construction administration, and materials necessary to complete the Sligh Boulevard and Columbia Street Improvements Project, increasing the total project cost to the aggregate amount of \$3,898,048.32. Approval of Change Request No. 3 to the Electric Capital Expenditure Estimate in the amount of \$5,138,780.07 for construction services, inspection, construction administration, and materials necessary to complete the Sligh Boulevard and Columbia Street Improvements Project, increasing the total project cost to \$8,342,531.16. Approval of an OUC initiated scope change and conforming Change Order No. 2 to the City of Orlando in the amount of \$5,329,638.36 to provide construction services, construction administration, and materials necessary for the project, increasing the total Purchase Order aggregate amount to \$10,260,850.91;
11. Authorization for the General Manager & CEO to execute the new Territorial Agreement with Duke Energy Corporation, pending OUC legal review and Florida Public Service Commission approval;
12. Approval of the Capital Expenditure Estimates for Ventura Country Club Subdivision for the installation of lighting facilities in the aggregate amount of \$919,138.14;
13. Approval of Change Request No. 1 to the Capital Expenditure Estimate in the amount of \$4,005,256 for design engineering, material procurement, and construction services necessary to complete the Indian River to Stanton North Fiber Addition Project, increasing the total project cost to \$4,105,006. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Black & Veatch Corp. in the amount of \$223,079 to provide design engineering and construction management services, increasing the total Purchase Order amount to \$318,079;
14. Approval of a Purchase Order to nVent EBS Holding LLC d/b/a Central Electric Manufacturing Company LLC for two metal clad switchgear in the amount of \$3,131,040. Approval of a Purchase Order to Meiden America Switchgear, Inc. for five 69kV circuit breakers in the amount of \$744,150. Approval of a Purchase Order to Controllix Corporation for two metal enclosed capacitor banks in the amount of \$550,467;
15. Approval of Change Request No. 2 to the Capital Expenditure Estimate in the amount of \$7,589,775 for engineering, procurement, and construction services necessary to complete the Tosohatchee Bridge and Culvert Access Road Improvement Project, increasing the total project cost to \$7,784,025. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Leidos Engineering, LLC in the amount of \$1,530,000 to provide design engineering and construction management services, increasing the total Purchase Order amount to \$1,625,000. Approval of an OUC initiated scope change and conforming Change Order No. 1 to Ardaman & Associates, Inc., A Tetra Tech Company, in the amount of \$265,000 to provide environmental support services, increasing the total Purchase Order amount to \$340,976;
16. Approval of additional funding in the amount of \$432,000 with conforming Change Order No. 4 to Greencastle Associates Consulting, LLC to continue providing Change Management Professional and Managed Services, increasing the total Purchase Order amount to \$923,565;
17. Approval of a Purchase Order to Presidio Networked Solutions LLC for professional services, software, and maintenance and support in the amount of \$241,884;
18. Approval of additional funding in the amount of \$3,395,429 with conforming Change Order No. 2 to All Sunshine Crane Rental Corp; Alta Equipment Company; Bryson Crane Rental Service, LLC; H&E Equipment Services; Herc Rentals Inc.; Linder Industrial Machinery Co; National Equipment Dealers, LLC; Ring Power Corp; Sims Crane & Equipment Co.; Sky Limit Equipment, LLC; Sunbelt Rentals Inc.; Synergy Rents-Bobcat



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Orlando; and United Rental in the to continue providing heavy equipment rental services, increasing the total Purchase Orders to the aggregate amount of \$12,395,429;

19. Approval of a Capital Expenditure Estimate for the Facilities Repairs & Improvements Project in the amount of \$571,574. Approval of a Purchase Order to The Watauga Company to replace existing entrance canopies, replace outdoor seating, and install building siding in the amount of \$252,683. Approval of a Purchase Order to Frank Gay Services, LLC for the installation of a water line extension and the installation of a drain line in the amount of \$153,792;
20. Approval of a Capital Expenditure Estimate for the Commercial Indoor Lighting Program in the amount of \$15,000,000. Approval of RFP #8997 – Contract award to Powersecure, Wesco Energy Solutions, and Inovis Energy Inc., the most responsive and responsible proposals to provide lighting retrofit services for the Commercial Indoor Lighting Program in the aggregate amount of \$15,000,000;
21. Authorization for the General Manager & CEO to execute the legal documents necessary to establish the declaration of restrictive covenants on the Lake Ivanhoe property and record such documents as required by the Florida Department of Environmental Protection to issue its Site Rehabilitation Completion Order with Conditions. Authorization for the General Manager & CEO to execute the legal documents necessary to establish the declaration of restrictive covenants on the Lake Highland property and record such documents as required by the Florida Department of Environmental Protection to issue its Site Rehabilitation Completion Order with Conditions;
22. Authorization for the General Manager & CEO to execute a sanitary sewer easement to Tohopekaliga Water Authority on the St. Cloud Operations and Maintenance Center property, to be located west of Hickory Tree Road and south of East Irlo Bronson Memorial Highway (US 192), subject to final legal review; and
23. Authorization for the General Manager & CEO to execute the Subordination of Utility Interests between the Florida Department of Transportation and OUC for Parcel 106.5, located north of East Colonial Drive and east of Maguire Boulevard.

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Presentation

Commissioner Williams provided the April 23, 2026 Audit-Finance Committee report as follows:

The Audit-Finance Committee (Committee) meeting was held on April 23, 2026.

The Committee received a presentation on recent Internal Audit activities, including a review of recently completed Internal Audit projects and the status of open audit items.

The Committee received an update on the Advanced Metering Infrastructure Meter Exchange Project.

The Committee also received a presentation on the Solicitation for Underwriting Services and considered management's recommendation to include BofA Securities, Goldman Sachs & Co., Hilltop Securities, Jefferies & Co., JP Morgan, Loop Capital, Morgan Stanley, Ramirez & Co., Raymond James, RBC Capital Markets, TD Financial Products, and Truist Securities in the pool of approved underwriters.

- PRES-1a: The Committee recommends Commission approval of the proposed capital financing underwriting team.



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The Committee received a presentation regarding the issuance of the Series 2026A and Series 2026B Bonds to refund existing debt and to fund a portion of the Fiscal Year 2026 and Fiscal Year 2027 Capital Plans. The Committee recommends the following actions be presented for Commission approval:

- PRES-1b:
 - The issuance of the Series 2026A fixed rate refunding bonds to refund the \$200M Series 2008 Bonds and the \$36.6M Series 2016A Bonds, with Goldman Sachs and JP Morgan as Co-Senior Underwriters, and Hilltop Securities and Truist Securities as co-underwriters;
 - The issuance of the \$250M Series 2026B-1 and Series 2026B-2 variable rate bonds with TD Financial Products and Loop Capital as remarketing agents; and
 - Approval of TD Bank as the Standby Bond Purchase Agreement provider for the \$250M Series 2026B-1 and Series 2026B-2 bonds.

The Committee received an update on the status of the review of the Energy Risk Management Policy and the Cash Reserve Targets.

The Committee received quarterly updates for the Energy Risk Management Oversight Committee, Treasury, Accounting, Fuel Stabilization Fund, and Grants Administration activities.

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MOTION: On a motion by Commissioner Brown and seconded by Commissioner Williams, Presentation 1a was approved as follows:

PRES – 1a Approval of the capital financing underwriting team to include twelve firms: BofA Securities, Goldman Sachs & Co., Hilltop Securities, Jefferies & Co., JP Morgan, Loop Capital, Morgan Stanley, Ramirez & Co., Raymond James, RBC Capital Markets, TD Financial Products, and Truist Securities.

MOTION: On a motion by Commissioner Williams and seconded by Commissioner Brown, Presentation 1b was approved as follows:

PRES – 1b Adoption of the Series 2026A Utility System Revenue Refunding Bond Resolution and the Series 2026B-1 and Series 2026B-2 Utility System Revenue Bond Resolution.

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Financial Report

Chris McCullion presented the March 2026 Financial Report. Refer to the Appendix for more information.

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Public Comments

Jason Thornton, a local high school student, cited OUC's 10-Year Site Plan and asked if Stanton Energy Center Unit 1 is still slated for extended cold shutdown at the end of May 2026. Mr. Bullock confirmed that OUC remains on schedule, stating expected cold shutdown may be closer to June 15, 2026. He noted that certain operational needs must be addressed prior to moving Unit 1 into extended cold shutdown.

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General Manager's Comments

Mr. Bullock asked Kevin Noonan, Director of Legislative Affairs to provide the State and Federal Legislative Update. Mr. Noonan provided an overview of the 2026 State Legislative Session that was held from January 13 to March 13, 2026. He highlighted the filing of 1,926 bills, of which 237 passed both chambers and explained that OUC monitored more than 100 bills that had the potential to affect organizational operations. He stated Governor DeSantis signed 81 bills into law, and no vetoes were issued. He noted the State Budget was not

finalized during the regular session, as the House and Senate remained approximately \$1.4 billion apart in their spending proposals, adding that a special session has been scheduled for May 12 - 29 to address the budget. He also stated that special sessions were convened on April 28 - 29 to address redistricting, artificial intelligence (AI), and vaccines. While the Legislature approved new congressional maps, no action was taken regarding AI or vaccine-related matters. A further special session may be convened in June to consider property tax issues. He provided a detailed overview of key bills, noting OUC's compliance with HB 1217, which prohibits governmental policies regulating greenhouse gas emissions (Net Zero) and was signed into law on April 22, 2026; and also provided details on HB 1451 – Utility Services, which would require OUC to hold public meetings for customers outside city limits, as well as additional reporting to the Florida Public Service Commission related to customers located outside city limits. Mayor Dyer asked if OUC prohibits those who do not live within city limits from attending any of its public meetings and Mr. Noonan responded that OUC does not prohibit anyone from attending its public meetings, explaining everyone is welcome to attend its public meetings.

Mr. Noonan also provided a Federal Legislative Update, outlining key issues impacting public power, including FEMA reform. He noted that Florida's representative was Kevin Guthrie, Executive Director of the Florida Department of Emergency Management. A discussion followed regarding HR 4669 – FEMA Act of 2025, related report recommendations, and Federal funding. Mr. Noonan provided an overview of permitting changes, tax policy, and federal budget decisions, describing how these developments may affect OUC and its customers. Refer to the Appendix for more information.

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Mr. Bullock stated that OUC recently hosted City of St. Cloud officials and staff on a tour of Stanton Energy Center, stating the visit demonstrates a strong ongoing partnership and detailing the long-standing partnership and OUC's role in supporting economic development and community engagement in St. Cloud. Refer to the Appendix for more information.

Mr. Bullock also provided an update on Strategy 2035 employee rollout activity, explaining how supervisors and above were prepared to understand the strategy in order to lead it. He also stated the strategy has been rolled out to all employees and shared a short video highlighting the various reveal sessions and expressed appreciation to the team that was involved in the Strategy 2035 rollout. Refer to the Appendix for more information and video.

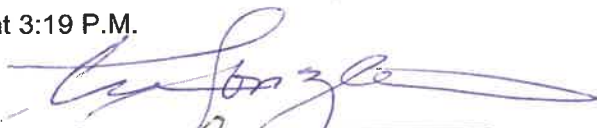
Commissioners' Comments

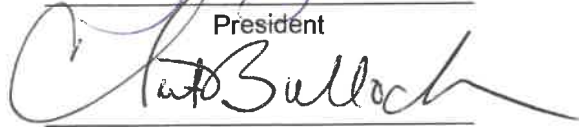
Commissioner Brown thanked the OUC staff for the onboarding briefings, noting that they were very informative.

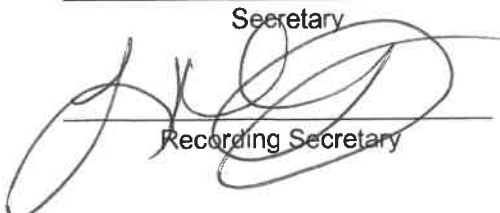
Mayor Dyer expressed his enjoyment at the service awards.

President Landman Gonzalez thanked the staff and everyone who contributes to OUC's success. She shared her appreciation for the rollout and impact of Strategy 2035 and noted how impressed she is with the growth in St. Cloud.

President Landman Gonzalez adjourned the meeting at 3:19 P.M.



President


Secretary


Recording Secretary

APPENDIX

Affirmative Items

A-3, A-4, A-5, & A-6 Lake Highland Water Treatment Plant Improvements

Presentations

Financial Report

General Manager Comments

Federal & State Legislative Update

St. Cloud Leadership Tour

Strategy 2035 Rollout Activities - [Video](#)

Affirmative Items

A-3, A-4, A-5, & A-6

Lake Highland Water Treatment Plant Improvements

Lake Highland Water Treatment Plant Improvements

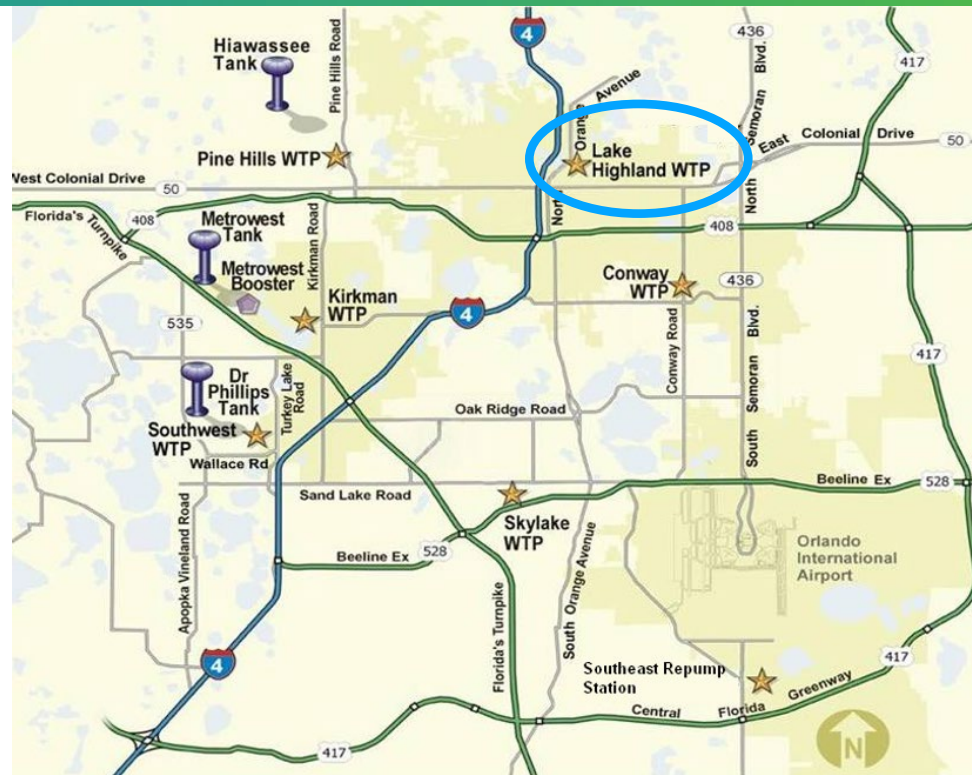


<i>Brad Jewell, Director of Water Production</i>	A-3, A-4, A-5, & A-6	05/12/26
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OUC Water System

Water System Stats

- 6 water treatment plants
- 1,935 miles of distribution piping
- 164,000 water services
- Monitoring more than 135 regulated and unregulated substances
- Pumps 32.3 billion gallons (88.5 million gallon per day) of water per year to customers across a 200-square-mile service area



Lake Highland Water Treatment Plant

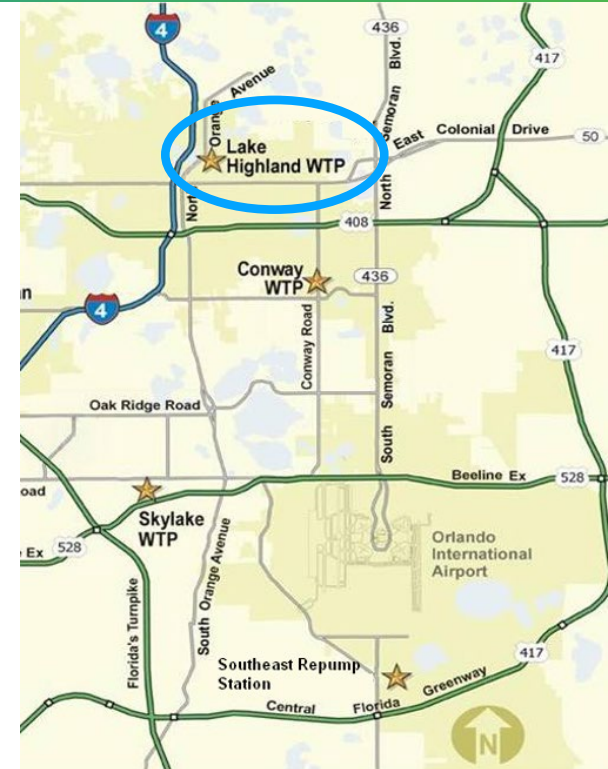
Current Situation and Challenges

OCU's second largest water treatment plant (WTP)

- Original construction in 1957
- Design 30.4 million gallon per day (MGD)
- Peak pumping capacity 48 MGD
- CUP limit 19.5 MGD
- Current 14.3 MGD

Water Project 2000 permitted and constructed in 1999

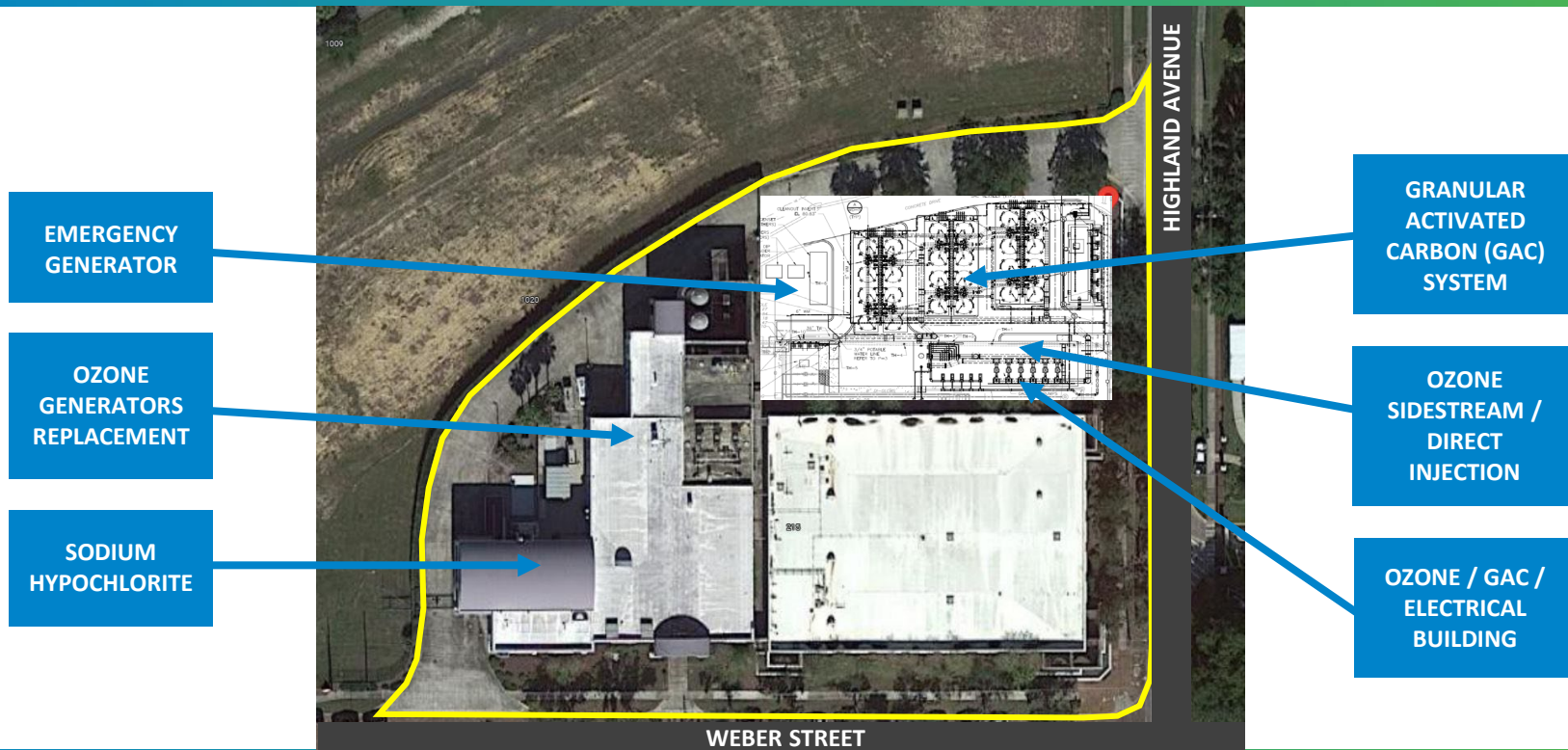
- Ozone generators no longer supported by manufacturer
- 2 electric feeds from sub 1 does not meet FDEP's definition of redundant power
- Chlorination system upgrades needed to meet Homeland Security's recommendation for safer technology
- GAC filtration to reduce chlorine demand



Lake Highland Water Treatment Plant Existing Site Layout



Lake Highland Water Treatment Plant Future Improvements



Lake Highland Water Treatment Plant

Emergency Generator / Electrical Reliability (A-3)



Emergency
Generator

Lake Highland Water Treatment Plant

Sodium Hypochlorite Conversion (A-4)



Bulk Storage



Chemical Feed

Pictured: Equipment from Conway Plant

Lake Highland Water Treatment Plant

Granular Activated Treatment System (A-5)



Granular Activated Carbon Vessels

Pictured:
Example of similar equipment
located at Conway Plant

Lake Highland Water Treatment Plant

Ozone Generator Equipment Replacement (A-6)



Ozone Generator



Direct Injection

Lake Highland Water Treatment Plant Proposed Site Layout



**JOINT UTILITY
PROPOSED RETENTION
POND WITH PLANTING**

Resulting Project Benefits

Anticipated project completion time: 3 years

Benefits once completed:

- Reduce flushing of 300,000 gallons per day
(This is equivalent to the usage of nearly 1,000 homes, resulting in annual savings of nearly 110 million gallons)
- Reduce use of disinfection products to improve water quality
- Increase reliability by reducing reliance on aging, end-of-life equipment
- Improved electric reliability and FDEP compliance by use of emergency generator
- Meet recommendations of Homeland Security to use safer chlorination technology

Benefits of joint utility site: Coordinate stormwater requirements with OUC transmission substation

Summary of Requested Project Improvement Costs

A-3	Emergency Generators / Electrical Reliability Project - Change Request No. 2	\$ 17,262,051
A-4	Sodium Hypochlorite Conversion Project - Change Request No. 2	\$ 1,368,933
A-5	Granular Activated Carbon Treatment System Project- Change Request No. 2 • Inclusive of GAC support building • Electrical gear building • 24 GAC vessels • 6 feed pumps • Plug flow reactor • Stormwater pond for WTP and substation	\$ 72,343,195
A-6	Ozone Generator Replacement Project – Change Request No. 2	\$ 14,611,395
Total		\$105,585,574

* Please refer to the corresponding agenda items for Purchase Order details.

Presentation

Financial Report.

Financial Report (FYTD March 2026)

\$ in millions	Actual	Budget	\$ Δ	% Δ
Retail Electric Revenues	\$ 265.5	\$ 267.6	\$ (2.1)	(0.8%)
Wholesale Electric Revenues	10.7	9.8	0.9	9.2%
Water Revenues	50.3	52.3	(2.0)	(3.8%)
Chilled Water and Other Revenues	50.5	47.9	2.6	5.4%
Fuel Revenues	166.2	179.3	(13.1)	(7.3%)
Total Operating Revenues	543.2	556.9	(13.7)	(2.5%)
Unit Department Expenses	(178.4)	(179.9)	1.5	(0.8%)
Depreciation and Amortization	(83.1)	(86.5)	3.4	(3.9%)
Other Operating Expenses	(49.9)	(49.8)	(0.1)	0.2%
Fuel Expenses	(166.2)	(179.3)	13.1	(7.3%)
Total Operating Expenses	(477.6)	(495.5)	17.9	(3.6%)
Total Non-Operating Expenses	(7.7)	(13.2)	5.5	(41.7%)
Net Income Before Contributions	\$ 57.9	\$ 48.2	\$ 9.7	20.1%

Overview

- Total Operating Revenues were \$13.7 million below Budget, net of deferrals, primarily due to lower than expected pass-through fuel expenses partially offset by increased wholesale opportunities arising from the nationwide cold weather event, including the deferral of \$25.0 million.
- Total Operating Expenses were \$17.9 million below Budget, driven by lower than expected fuel commodity prices, depreciation expenses, and electric plant and distribution maintenance, and outside services, partially offset by higher medical costs.
- Total Non-Operating Expenses were \$5.5 million below Budget, driven by lower than expected interest expenses due to timing of the issuance of 2026A Bond.

General Manager

Federal & State Legislative Update

Federal & State Legislative Update



Kevin Noonan, Director of Legislative Affairs	5/12/26
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State Legislative Update



2026 State Legislative Update

State Legislative Session

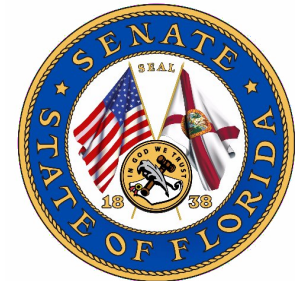
- 60-day legislative session, January 13 – March 13
- OUC tracked 100+ bills with potential to impact our operations
- 1,926 bills filed, 237 passed both chambers (12%)
- 81 bills signed by Governor, 0 vetoes

State Budget

- Budget not passed during regular session; House and Senate \$1.4B apart on spending plans
- A special session on resolving the state budget impasse is scheduled for May 12 – 29

Other Special Sessions

- Special session on redistricting, artificial intelligence (AI) and vaccines held April 28 – 29, led to new congressional maps, but no action was taken on AI or vaccines
- Potential special session in June to address property taxes



2026 State Legislative Update – Key Bills

OUC focused on nine key bills this session: (five bills signed into law)

1. **HB 145** – Sovereign Immunity
2. **HB 1451** – Utility Services (Municipal Utility Bill)
3. **SB 1134** – Official Actions of Local Governments (DEI); ***signed into law April 22***
4. **HB 1217** – Prohibited Governmental Policies Regulating Greenhouse Gas Emissions (Net Zero); ***signed into law April 22***
5. **SB 7006** – Open Government Sunset Review (OGSR) / Florida Public Service Commission; ***signed into law March 1***
6. **SB 7026** – OGSR Trade Secrets; ***signed into law April 23***
7. **SB 7024** – OGSR Cybersecurity, Information Technology and Operational Technology Information
8. **HB 1019** – Perfluoroalkyl & Polyfluoroalkyl Substances Aqueous Film-Forming Foam (AFFF)
9. **SB 484** – Data Centers; ***signed into law May 7***



2026 State Legislative Update – Key Bills

HB 145 – Sovereign Immunity

- Increases the caps on awards against a governmental entity to \$350,000 per person, and \$500,000 per incident
- If signed into law, effective date of October 1, 2026

HB 1451 – Utility Services (Municipal Utility Bill)

- Requires municipal utilities to hold annual public meetings for customers outside city limits
- Caps out-of-boundary rate differentials to 25% (down from 50%) and phases out existing surcharges by 2029 or once related debt is paid
- Mandates annual municipal reporting to Florida Public Service Commission (PSC) on out-of-boundary customers, revenue collection and allocation, and rate differentials
- Shifts authority from newly formed regional utility authorities to the state
- If signed into law, effective date of June 1, 2027



2026 State Legislative Update – Key Bills

SB 1134 – Official Actions of Local Governments (Diversity, Equity, Inclusion – DEI)

- Signed into law on April 22, effective date of January 1, 2027
- Prohibits cities and counties from funding, promoting or taking official action related to DEI
- Voids existing county or municipal ordinances, resolutions, programs, or policies involving DEI
- Bars use of public funds to create or staff DEI offices or officers
- States that violations by local officials constitute misfeasance or malfeasance
- Allows residents to seek declaratory, injunctive or monetary relief for violations
- Requires fund recipients to certify they will not use local funds for DEI
- Provides limited exceptions for legally required actions and certain holidays or observances

2026 State Legislative Update – Key Bills

HB 1217 – Prohibited Governmental Policies Regulating Greenhouse Gas Emissions (Net Zero)

- Signed into law on April 22, effective date of July 1, 2026
- States that net-zero policies harm the state's energy security and economic interests
- Defines “net zero policy” as any effort to balance greenhouses gas emissions with equivalent removal
- Prohibits government entities from adopting, collecting for, or funding policies that support, implement or advance net zero policies
- Requires governmental entities to file annual affidavit confirming compliance with these prohibitions

2026 State Legislative Update – Key Bills

SB 7006 – Open Government Sunset Review (OGSR) / Florida Public Service Commission (*signed into law on March 1*)

SB 7026 – OGSR Trade Secrets (*signed into law on April 23*)

SB 7024 – OGSR Cybersecurity, Information & Operational Technology

- Each bill becomes effective upon signature of the Governor
- Public record and meeting exemptions are reviewed by Legislature every five years
- These three bills extend or repeal from exemption:
 - Confidential utility information before the FPSC (extended)
 - Trade secret public-records exemptions for agencies (repealed)
- Expands and then extends cybersecurity-related public record and meeting exemptions, including:
 - Data-protection practices for IT or operational technology
 - Cybersecurity risk assessments, audits, login credentials, IP addresses, geolocation data and public portal information

2026 State Legislative Update – Key Bills

HB 1019 – Perfluoroalkyl & Polyfluoroalkyl Substances (AFFF)

- Effective date of July 1, 2026
- Phases out PFAS-containing firefighting foam (aqueous film-forming foam, aka AFFF) over three years
- Requires entities with AFFF to submit inventories to Department of Environmental Protection (DEP)
- Beginning July 1, 2027, bans sale, purchase or distribution of AFFF, and requires submission of disposal plan to DEP
- Beginning July 1, 2029, bans possession and use of AFFF

WHAT IS AFFF FIREFIGHTING FOAM USED FOR?

Below are industries in which AFFF foam has been historically used.

Industrial Facilities And Chemical Plants

Airports

Military Applications

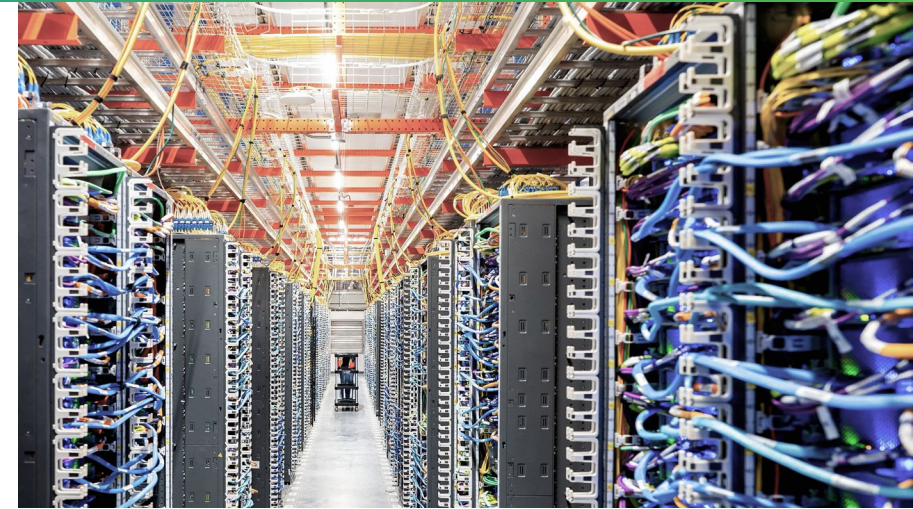
Firefighting Services



2026 State Legislative Update – Key Bills

SB 484 – Data Centers

- Signed into law May 7, effective date of July 1, 2026.
- Addresses development of large-scale data centers and notes that large load customers over 50 megawatts place major demands on utilities
- Allows local governments to adopt requirements to manage these impacts
- Sets minimum tariff and service requirements for large load investor-owned utilities (IOUs) to ensure they pay their full cost of service
- Requires IOUs to file tariffs with PSC by October 1, 2026
- Limits public-records exemptions for information on potential data center locations or expansions in Florida
- Creates consumptive use permitting framework for data centers using over 100 KGAL/day, overseen by Florida DEP
- Requires state to commission study on large-scale data center construction and operations.



Federal Update



2026 Federal Legislative Update

- Congress is considering key issues affecting public power, including FEMA reform, permitting changes, tax policy and federal budget decisions
- OUC is actively tracking these developments and engaging with our local representatives to ensure both our organizational and community interests are represented
- We are assessing how these federal actions may affect our customers, community programs, and long-term planning



2026 Federal Update

HR 4669 – FEMA Act of 2025 (Fixing Emergency Management for Americans Act)

- Long awaited final report on FEMA reform released last Thursday
 - Calls for states to take lead in disaster relief and cover more costs
 - Smaller federal role in disaster housing assistance
 - Private takeover of National Flood Insurance Program
- HR 4669 is awaiting House floor vote
- Cosponsors: Florida Representatives Frost and Soto
- No Senate companion bill despite requests to both Senators – this may change now that final report released
- *What are we doing?* Analyzing the final report for potential impacts to OUC, Continuing advocacy for additional House cosponsors in other affected states (Louisiana, Texas, North Carolina, and South Carolina), Reengaging with Senate offices (Scott and Moody) for potential bill sponsorship



2026 Federal Update

Congressional Permitting Reform Activity

- **NEPA Reform (National Environmental Permitting Act):** Narrows NEPA review scope and imposes firm approval timelines to speed federal approvals for major infrastructure, energy, and mining projects
- **Speed Act:** Accelerates project delivery by shortening NEPA permitting timelines, limiting environmental claims, and clarifying when NEPA applies
- **Permit Act:** Streamlines federal 401 water-quality certification by limiting state review to point-source discharges and creates a one-year review deadline
- **ePermit Act:** Modernizes federal environmental reviews by digitizing permitting, improving agency coordination, and increasing transparency to reduce NEPA review times
- *What are we doing?* Monitoring and reporting back

2026 Federal Update

Private Use Tax Policy

- Ensure that public power can continue the use of tax-exempt bonds to finance infrastructure
- Provide public power additional tools for serving large loads customers and give access to nuclear and clean energy tax incentives
- *What are we doing?* Advocating for the continued use of all tax-exempt financing options

Department of Energy Private Use

- Current policy and rules are hindering public power's ability to respond to large load requests
- *What are we doing?* Working to remove three-year restriction on contracts associated with private use funding

Foreign Entity of Concern (FEOC) Guidance

- Foreign Entity of Concern: federal designation identifying entities controlled by, owned by, or under the jurisdiction of foreign adversaries (i.e., China, Russia, Iran and North Korea)
- These rules restrict FEOC involvement in U.S. clean energy supply chains, impacting tax credits for EVs and solar
- *What are we doing?* Working to get clear guidance on FEOC to de-risk funding on capitol projects

2026 Federal Update

- President's FY 2027 budget proposes 10% cut to nondefense spending
- *How could this proposed budget impact public power?* Cuts over \$15 billion in renewable energy grants that public power utilities use to diversify their energy mix
- Eliminates weatherization programs, including Low-Income Home Energy Assistance Program (LIHEAP), which OUC customers access through Orange and Osceola counties
- Provides \$3.5 billion to rapidly deploy firm baseload power and strengthen grid reliability, shifting focus toward traditional baseload sources
- Includes funding for grid infrastructure to lower energy production costs and bolster U.S. energy dominance
- Note: Congress ultimately determines funding levels for these programs



Budget of the
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Fiscal Year 2027

General Manager

St. Cloud Leadership

Rollout Activities

Strengthening Partnerships St. Cloud Leadership Tour

