



**ITEM ID:** 2026-135-0

**TRANSMITTAL DATE:** February 20, 2026

**MEETING DATE:** February 27, 2026

**TO:** Board of Directors

**FROM:** Tom Schamber, Chief Financial Officer

**SUBJECT:** FIN 11.1 - Fuel Purchase Policy Update

**Issue**

The updates to the Fuel Purchase Policy are to clarify the terms and provide more direct strategic instructions for the Fuel Hedge Advisor.

**Recommendation**

It is recommended that the Board approve the updates to the Fuel Purchase Policy.

**Strategic Commitment**

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. Working together with our fuel purchase program partners we can provide better assurance we will meet our budgetary goals.

**Background**

The initial meeting of the Ad Hoc Committee was held on June 15, 2020. The Committee's expected outcome was to assess the effectiveness of the fuel hedge policy and supporting resources, and to determine whether the Program is structured to effectively meet the current and future needs of the Authority. During the Committee's initial convening, an audit was requested to evaluate compliance with the Fuel Hedge Policy. Following this initial review,

annual audits of the program have continued.

The most recent audit completed October 25, 2025, Crowe LLP recommended updating the policy to clarify the index to be used and to better define the desired parameters.

### **Discussion**

The spot market and hedging strategies outlined in FIN11.1 use terminology that can be ambiguous and does not clearly define the intended parameters. This lack of clarity could lead the Fuel Hedge Advisor to make decisions that are inconsistent with policy intent or create challenges in complying with the fuel purchasing guidelines. In response, staff consulted with our current Fuel Hedge Advisor and have updated the Fuel Purchase Policy (Attachment A) to clearly specify the index to be used and more precisely define the desired parameters.

### **Next Steps**

Upon Board approval, staff will publish the revised Fuel Purchase Policy and distribute a copy to the Fuel Hedge Advisor.

Prepared by: Alex Barber, Assistant Director, Finance

Approved by: Tom Schamber, Chief Financial Officer

### **Attachment(s)**

[Attachment A - FIN-11.1 Fuel Purchase Policy - Redline](#)

[Attachment B - FIN-11.1 Fuel Purchase Policy - Clean](#)

[Presentation - Fuel Purchase Policy Updates](#)